



THE INTERPLAY BETWEEN
INTERNAL VALUES & EXTERNAL VALUES
IN THE BRAND BUILDING PROCESS



EVAN DAHLQUIST, ANDREW SHIRBIN & KAJ-DAC TAM

Lund University

School of Economics and Management

International Marketing and Brand Management

Master Thesis

2009-2010



ABSTRACT



- Title:** The Interplay between Internal Values and External Values in the Brand Building Process
- Date of Seminar:** 1 June, 2010
- Course:** BUSM08: Degree Project in International Marketing and Brand Management, 15 ECTS
- Authors:** Evan Dahlquist, Andrew Shirbin, and Kaj-Dac Tam
- Advisor:** Johan Anselmsson
- Key Words:** Core Values, Brand Values, Relationship, Brand Building Process
- Purpose:** The purpose of this thesis is to investigate the interplay between internal and external values, mainly by exploring the relationship between core values and brand values in a case study.
- Methodology:** This paper is based on a qualitative approach using various semi-structured interviews.
- Theoretical Perspective:** The theoretical perspective aim to develop existing brand building process literature and provide enhanced understanding of the creation and origin of internal as well as external values.
- Empirical Data:** Empirical data was collected from Axis Communication across five aspects; top management, brand management, employee level, and an external branding agency. Last aspect concerns secondary data material regarding the Axis customers' perspective.
- Conclusion:** The study show an array of interpretations regarding the definition of core values and brand values both among academics and practitioners. Yet, based on the case study, it can be argued that a mismatch between internal and external values of a brand may be beneficial for its on-going growth and development.



ACKNOWLEDGEMENTS



Writing this thesis has been a challenge yet an insightful experience, and despite things not always going the way we had planned or expected we learnt to adapt and adjust to the circumstances - much similar to some of the main arguments provided in this study.

We owe our greatest thanks to a range of individuals that have provided us with their time and help necessary to complete this.

First and foremost we would like to thank our supervisor Johan Anselmsson, for his valuable feedback, expertise and support. We would like to thank Niklas Persson and Thomas Kalling for their advices and references to key people at Axis. We want to thank Joanne Kovacic and Lars Åberg at Axis Communications for finding time off their busy schedules and discuss the branding process with us. To Micco Grönholm for his knowledge in the field of B2B branding, and lastly to Lund University for giving us this opportunity.



TABLE OF CONTENTS



CHAPTER 1	1
1. INTRODUCTION	1
2. LITERATURE AND THEORY REVIEW	3
2.1 Internal Branding	3
2.1.1 Management Vision and Communication	5
2.1.2 Organisational Values	6
2.1.3 Employer Branding	7
2.1.4 Corporate Brand Identity	8
2.1.5 Organisation Theory	10
2.2 External Branding	13
2.2.1 External Values	13
2.2.2 Brand Image	14
2.2.3 B2B Context	16
2.3 Branding Processes	16
3. THEORETICAL FRAMEWORK	18
Figure 1 – Identity Based Brand Equity Model	19
Figure 2 – Internal Brand Strength Conceptualisation	21
Figure 3 – External Brand Strength Conceptualisation	22
4. THEORETICAL GAPS	23
5. METHODOLOGY	25
5.1 Research Design and Philosophical Consideration	25
5.1.1 Case Study	26
5.1.2 Axis Communication – A Summary	28
5.1.3 Data Collection	28
5.2 Semi-Structured Interviews	29
5.3 Questionnaire	30
5.4 Time Frame	32
6. TARGET AUDIENCE	32
CHAPTER 2	34
7. RESULTS AND ANALYSIS	34
7.1 Introduction	34
7.2 Lars Åberg, Vice President Marketing, Analysis of Top Management	35
Figure 4 – Ongoing Strategic Renewal Process	36
7.2.1 Axis Business Life Cycle Processes	37
7.2.2 The Relationship between Core Values and Brand Values	38
7.2.3 The Consistency Strategy of the Branding Process	40
Figure 5 – The Ongoing Strategic Renewal Process – Axis Communications	42
Figure 6 – The Corporate Concept Model	43
7.2.4 Organisational Culture	44
7.3. Joanne Kovacic, Branding and Strategic Marketing Communications Manager, Analysis of Management	45



7.4. Anonymous - Software Engineer at Axis Communications, Analysis of Engineer	50
7.5. Micco Grönholm, Brand Development Director, Analysis of external brand agency	53
7.6. Axis Brand Tracking Report 2009, Analysis of Customers	58
8. SUMMARY OF RESULTS	61
9. CONCLUSION	63
10. LIMITATIONS	64
11. FUTURE RESEARCH	64
<hr/>	
12. REFERENCES	66



CHAPTER ONE



1. INTRODUCTION

The significance of a brand has increased due to fierce competition, dynamic markets, unstable environments, advance technology and product parity, and increasingly more educated consumers (Anisimova, 2007; Desai & Keller, 2002). A brand with a strong reputation helps diminish the information difference between seller and customer by sending quality signal (Rao & Ruekert, 1999). It indicates and reduces the likelihood of a bad outcome for the consumer (Montgomery & Weinerfelt, 1992). A brand offer is a value-adding strategy in order to differentiate and be innovative in communication (Besharat, 2010), but that is merely the tip of the iceberg as branding is becoming increasingly important in a B2B context.

A considerable amount of research has been trying to embrace the various constructs of branding. The three most acknowledged constructs could roughly be divided into internal values, external values and financial success. Research focuses on the first two constructs, internal and external, and how they interact in a branding process to influence the level of financial success. Hatch & Schultz (2001) refer to the relationship between external and internal values as vision, culture and image. Grönholm (2010) points to how as a science branding is relatively young and there exists alternative labels describing similar concepts with overlapping definitions. As a result of the competing definitions of key branding terminology, an obstacle may arise in the implementation and interpretation of a planned branding process.

Most researchers investigate the topic through one lens at the time, most often through either an *internal perspective*, such as corporate branding (Punjaisri et al., 2008), core values (Urde, 2009), culture (Narver et al. 1998) and brand identity (Davies, 2008), and or *external perspective* involving the brand image of various stakeholders (Dichter, 1985; Nandan, 2004) and consumer based brand equity (Keller, 1993; Aaker, 1996). These perspectives place focus on how to generate a higher financial value as a result of the branding process. Researchers have been partisan in applying these perspectives and view the branding process as being either internally or externally driven, often neglecting the interplay that occurs between these two elements. Even



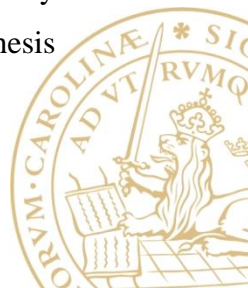
though the constructs work interdependently, Hatch & Schultz (2001), Davies, Chun, da Silva & Roper (2004) amongst others argue that aligning the three constructs will create a stronger and more consistent brand. However, in application this alignment may not be as simplistic or even relevant in the branding process, which is something that warrants further examination.

The purpose of this master thesis is to emphasise on the relationship between internal and external values and to what extent its interaction have upon development and application of theories for the brand building process. The development of theory in this paper is based on a blend of exploratory and descriptive research and analysis. It is generally considered that branding enables competitive advantage as the reputation of a brand is hard to imitate, however to sustain a favourable reputation requires commitment from management to align the image and identity (Kowalczyk & Pawlish, 2002; Davies & Chun, 2002).

This paper provides a rich literature review that covers the theories and previous research in the related field. By breaking the review into the two distinct perspectives of the brand building process, internal and external, the central concepts within branding are presented. A theoretical framework is then presented that offers a unique blend of the internal and external processes in a comprehensive branding model. This model will provide conceptual frameworks that will allow the reader to develop a more detailed picture of how the interaction between internal and external elements affects the brand building process. Based on the theoretical gaps that exist, the aims of our paper are presented:

- *What role do the drivers of values play in the brand building process?*
- *How do these core values and brand values influence each other?*

Each will tackle additional questions linked with the primary aim that aides in developing the understanding both in broader and more specific terms. The methodology describes the case study and the use of the semi-structured interviews supported by some empirical data. The case will focus on Axis Communications, a company with humble beginnings in Lund, Sweden, that has grown into a global market leader in the video surveillance and network solutions market. By analysing the results of the interviews that take place across job functions within Axis, this thesis



will work towards providing insight into the aims posed by being able to understand the processes at work throughout the organisation. This will serve in developing the understanding, both theoretically and in application, of the interplay between the internal and external values in the brand building process.

2. LITERATURE AND THEORY REVIEW

This section lays out the previous literature and research that has been established in and relates to the subject of branding processes. Because this field has been predominantly split between two perspectives, internal branding and external branding, the review will follow suit. In addition to those two sections it will conclude with a section on the current and most predominant branding processes.

The review will begin by examining the internal branding processes and then focus on the main themes that occur in the field which include ‘management vision and communication’, ‘organisational values’, ‘employer branding’, ‘corporate brand identity’, and ‘organisational theory’. Through dividing the themes of internal branding it allows for the opportunity to understand the core elements of the internal branding processes in more depth and provides a foundation for how they can be used in branding. Subsequently the literature and theory review will delve into the external perspective on branding. The external section will be divided into the categories ‘external values’, ‘brand image’, and the ‘B2B’ context. By showing the specific elements in both the internal and external sections it can act as a way to highlight the most important areas in both schools of thought. The third section is a review of some of the most predominant and cited branding processes in literature. The branding processes will act as a review section that can highlight how a lot of the different theories and research interact and behave in conceptualized branding frameworks.

2.1. INTERNAL BRANDING

Internal branding has become the centre of increased focus within business and academia alike. It consists of a company’s attempt to establish consistency with the external brand and achieve brand commitment among employees (Mahnert & Torres, 2007). According to Dichter (1985,



p.79) “an image can be manipulated by means of life-styles, the surroundings, the background, and the rhythm of a particular person or product”. Given that customers perceive the organisation’s culture through different touch points with employees, top management should attempt to reinforce internal values with the intent of creating a positive external image for the customers (MacIntosh & Doherty, 2007).

Internal branding has evolved through the years from earlier concepts within internal marketing. Although it is often associated with the service industry it also remains an important function for companies who have physical products (Alvesson, 2002). Sasser and Arbeit (1976) discussed internal marketing as being directed at internal customers while other perspectives established views of internal marketing as a strategy to facilitate change (Grönroos, 1981) and as marketing to internal markets through control of internal participants (Flipo, 1986). In developing and narrowing the focus, Bergstrom et al. (2002) identify the three tenets of internal branding as “communicating the brand effectively to employees; convincing them of its relevance and worth; and successfully linking every job in the organisation to delivery of the brand essence”. This perspective highlights the importance of people within the company who can be considered the heart of the brand. Punjaisri and Wilson (2007) also emphasise the importance of the employee and their role in turning the brand message into brand reality for all of the stakeholders. Other refers to it as Brand Champions or Ambassadors. These individuals are not required to be senior managers or experts of branding, rather they are characterised by important attributes such as; enthusiasm and commitment. Brand champions/ambassadors are well aware of the brand vision and values and believe in it (Thomson & Hecker, 2000; Whisman, 2009).

Literature has placed attention on how to develop an internal branding strategy that will transform company employees into brand ambassadors. Mahnert and Torres (2007) state the three core elements of internal branding include “the reflection of brand values to consumers by committed employees; the realisation of the brand promise communicated to the internal and external market; and that , internal branding needs to be applied at all organisational levels in order to align management and staff behaviour and values.”



One framework that emphasises the importance of the employee in delivering the brand promise is Punjaisri, Wilson, and Evanschitzky's model. The internal branding effects on employees incorporate brand identification, brand commitment, and brand loyalty as three brand supporting attitudes that directly influence the brand supporting behaviour of delivering the brand promise (Punjaisri et al., 2008). In addition to these internal branding outcomes there are also internal branding mechanisms (internal communication and training) and moderating factors that play a role (Punjaisri et al., 2008). The moderating factors are situational factors like relationships with colleagues and personal variables like age and educational background. (Punjaisri et al., 2008)

Other research demonstrates that a strong organisational culture has a positive impact on staff satisfaction and commitment (Lok & Crawford, 1999), turnover intentions (MacIntosh & Doherty, 2007), morale and teamwork, and organisational performance (Goffee & Jones, 1996). Organisational culture can be defined to as the values, beliefs and basic assumptions that describe the essence of an organisation and that guide employee behaviour (Martin, 1992 as mentioned in MacIntosh & Doherty, 2007).

Having established the basic concepts within internal branding, the literature review will delve deeper into areas of focus within the topic that will further develop the understanding of the subject matter. Based upon the initial literature search, some of the primary themes within internal branding include management vision and communication, organisational values, employer branding, and the corporate brand identity. The last theme explore organisation theory that is not branding literature per se, but still relevant in order to increase the extent of the review.

2.1.1 MANAGEMENT VISION AND COMMUNICATION

The driving force behind the internal branding process is the management and its ability to communicate effectively. This is discussed first as it is the link between all the internal branding elements. The management's vision is the "central theme upon which the employee can shape their behaviour so as to be consistent with consumer and organisational expectations" (King & Grace, pg 360, 2008). To manage the corporate brand, the gap between the management's vision and the employee's culture and values needs to be addressed (Hatch & Schultz, 2001). To close



the vision-culture gap, management must address if the company practices the values it promotes and if the vision can inspire everyone throughout the organisation in every subculture (Hatch & Schultz, 2001).

The leadership role and their vision are important elements in the process. The leader should be viewed as an “energiser” for internal brand building and play an active role in “translating the brand’s promise into action” (Vallaster & Chernatony, 2006). This is accomplished not only through verbal communication, “but also through non-verbal communication, experienced in their social interactions” (Vallaster & Chernatony, 2006). This perspective emphasises the importance of embodying the vision that management establishes.

Once the management’s vision has been established the next step is communicating the vision so the employees can approve of and appreciate it (Bergstrom et al., 2002). Internal communication is perceived as a key internal branding mechanism (Punjaisri et al., 2008). It requires the “clarification and management of an organisation’s tangible and intangible employment offering, it will also tends to involve managing aspects of the organisation’s image and identity and these will be presented through sophisticated communication campaigns” (Edwards, 2010).

Communicating the management’s vision does not have to be a one way conversation. In addition to providing feedback to employees, management can have a flow of information through “two way communication in formal and informal interactions” (Grönroos, p.394, 2007). By establishing an open internal atmosphere, issues can be raised that allows for internal dialogue between management and employees (Grönroos, 2007).

2.1.2 ORGANISATIONAL VALUES

Managing values within an organisation is one of the most important activities in internal branding. Urde (2009) believes in the principle that a “corporate brand cannot be stronger externally than it is internally”. To develop stronger internal values, the values need to be consistent between the organisation and its employees. It requires a brand supporting culture that enables a fit between the organisation and employee through shared values (de Chernatony et al., 2003). Identifying with and sharing values in an organisational context can stem from the social



identity theory and by managing these values it can result in a high degree of value congruence between the employee and corporate values (Ashforth & Mael, 1989). Value congruence can then be divided into three categories; self-centred corporate values, mode of conduct corporate values, and society-centred corporate values (Ilangovan & Durgadoss, 2009). The outcomes of value congruence include job satisfaction, organisational identification, and intent to stay in the organisation (Edwards & Cable, 2009). As important as it is to establish value congruence, additional literature puts an emphasis on identifying and developing an organisation's core values.

Core values are central in the internal branding processes of organisational values. Urde (2009) provides five insights into core values based upon case studies which include: “true core values are essential to, and even inherent in, the corporation; true core values are mindsets and part of the corporate culture; every time the customers' expectations are met, the track record of a core value is reinforced and grows stronger; core values are broader concepts that summarise the most important dimensions of a corporate brand; and core values support the promise by appealing to reason and emotions, building a relationship, and evoking feelings”. One case study that Urde carried out was on IKEA, a company that has effectively laid out their core values and promote these values through the founders Ingvar Kamprad's Testament of a Furniture Dealer. Kamprad makes the point that “the competitors can copy every part of your business, but not the company spirit” (IKEA, 1976, p. 1). Literature positions these core values as potential competitive advantages. However, a challenge is that “internally, managers face the challenges of defining the brand's values, then working across the organisation to ensure commitment, enthusiasm, and consistent staff behaviour delivering these values” (de Chernatony, 1999).

2.1.3 EMPLOYER BRANDING

Employer branding integrates the previously separate policies and procedures of marketing and human resources to create a new unique blend within the organisation (Edwards, 2009). Within the context of internal branding processes, employer branding regards “current and potential employees as branding targets” (Edwards, 2009). Sartain and Schumann (2006) define an employer brand as “how a business builds and packages its identity, from its origins and values, what it promises to deliver to emotionally connect employees so that they in turn deliver what



the business promises to customers”. It has been shown that the advantages to a strong employer brand are that it will not only attract new employees but also generate satisfaction, affinity, and loyalty for current employees (Davies, 2008).

In their book *Brand from the Inside*, Sartain and Schumann establish eight essentials in building an employer brand. Their eight essentials emphasise establishing the employer brand inside the business with a “consistent substance, voice, and authenticity throughout the employment relationship” since this is most effective in emotionally engaging employees (Sartain & Schumann, 2006). A consistent voice must be established through internal communications that can help create and maintain the employee commitment, shared vision, loyalty, and satisfaction (Punjaisri & Wilson, 2007). This requires a unified effort within the organisation.

Literature suggests that an important element of an employer brand is establishing employee commitment. In relation to the discussion on developing employee emotional connections it is shown that the emotional capital of an organisation is increased by more committed employees (Thomson et al., 1999). In outlining a process to promote internal commitment, King and Grace (2008) detail their Employee Brand Commitment Pyramid. At the bottom of the pyramid employees receive adequate technical information and they will commit to their jobs compared to the top of the pyramid when appropriate brand related information is provided, an employee can then develop a strong commitment to the brand (King & Grace, 2008).

2.1.4 CORPORATE BRAND IDENTITY

The corporate brand identity is central to the internal brand process. Through the years the emphasis on what is important in brand identity has evolved. Balmer and Soenen (1999) created the corporate identity mix that includes the soul (core values, culture, internal images, employees affinities, and history), voice (controlled/uncontrolled communication, symbolism, personal and corporate behaviour), and the mind (vision & philosophy strategy, products & services performance, corporate performance, brand architecture, and corporate ownership) (Balmer & Soenen, 1999). The literature on the corporate identity mix shows how identity management has been “transformed from a dominating concern with visual manifestations into strategic change management” (Hatch & Schultz, 2001).

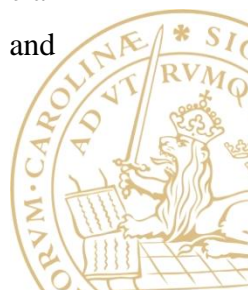


In an attempt to turn corporate identity management into a more proactive and strategic based discipline, Balmer and Soenen also put forward the ACID Test of Corporate Identity Management. The ACID test incorporates four types of identity including the Actual identity which is the reality of the organisation represented by the values held by staff and management; Communicated identity is the reputation of the organisation by its stakeholders and the corporate communications; Ideal identity is the optimum positioning the organisation could achieve in its market; and finally the Desired identity which refers to the management's vision and its mission (Balmer & Soenen, 1999). By researching these different types of identity, an organisation can work more effectively in balancing them to a desired level.

Another widely used piece of literature is Kapferer's (2007) brand identity prism. To enter the modern age of brand identity and positioning it has six facets to guide the way; physique, personality, relationship, culture, reflection, and self image (Kapferer, p.106-107, 2007). This model is useful for a practitioner as it helps structure the brand building process and is beneficial in positioning your company's brand against a competitor (de Chernatony 1999 and de Chernatony et al. 2003).

Through an employer branding process, Davies (2008) performs a quantitative analysis to describe the corporate identity personality by implementing the corporate character scale. The main dimensions of the corporate character scale are agreeableness, enterprise, chic, competence, ruthlessness with each of the main dimensions having distinct facets and elements (Davies, 2008). Implementing a scale like this can be used to identify employees brand associations and values. To determine the company's distinct identity and unique personality respondents are "asked to imagine that their organisation had "come to life" as a human being and to rate its personality on a five-point Likert-type scale anchored by 1 = strongly disagree and 5 = strongly agree" (Davies, 2008). This methodology offers a way to measure the personality and identity.

According to literature, management of identity is growing in importance within organisations. More often than not literature suggests that to build brand equity and generate positive financial outcomes it must start externally. The identity based brand equity model suggests otherwise and



states that it originates internally with the identity which has a direct influence on and precedes the external image (Burmam et al, 2009). The model implements a three stage process and displays the interaction between the employees brand identity and internal brand strength to the customers brand image and external brand strength and the resulting behavioural brand strength (Burmam et al, 2009). Stage two exhibits the results of the financial brand equity while stage three highlights the potential brand equity. Overall, the identity based brand equity model emphasises the “relevance of internal brand strength in strategic and operative brand management” and that “internal brand strength represents the basis for external brand strength and thus company success” (Burmam et al, 2009).

2.1.5 ORGANISATION THEORY

Organisation theory and studies have been utilised throughout business. Often its role in internal branding is overlooked or not directly linked to how it influences the branding processes. There are however several areas of theory and research that can be implemented in a branding context. Among the more predominant mentioned in literature is the contingency theory. The contingency approach is detailed in Gareth Morgan’s (1996) book *Images of Organization* in which he states that “organizations are open systems that need careful management to satisfy and balance internal needs and to adapt environmental circumstances”. Morgan expands on this by summarising that “management must be concerned, above all else, with achieving alignments and ‘good fits’” (Morgan, pg. 42, 1996). The essence of the modern contingency theory is that an effective organisation depends on “a balance between, strategy, structure, technology, the commitments and needs of people, and the external environment” (Morgan, pg48, 1996). This theory underlines the role of the management’s vision in aligning an adaptive organisation.

Among one of the other forms of organisation theory that has been reflected upon and developed is complexity theory. Anderson (1999) articulates that the origins of complexity theory stem from when the open systems view of organisations began to diffuse in the 1960’s and cites Thompson (1967, pg. 15) who describes a complex organisation “as a set of interdependent parts, which together make up a whole that is interdependent with some larger environment”. These interdependent parts within the organisation are an important element in complexity



theory and are continually referred to in literature, often called ‘subsystems’. Anderson goes on to detail how organisation theory has “treated complexity as a structural variable that characterizes both organizations and their environments” (Anderson, 1999). It has been discussed in literature how the subsystems in each organisation can be “differentiated from each other in terms of subsystem formal structures, the member’s goal orientation, member’s time orientations, and member’s interpersonal orientation” (Lawrence & Lorsch, 1967). As a result of the advances in science and technology along with the opening of new markets, the environment that companies operate in today is increasingly complex. Lawrence and Lorsch (1967) show that “high performance in such environments is at least partially related to attaining both high differentiation and high integration, and it is clear that to be effective, the organization will have to achieve integration between specialists, while simultaneously encouraging increased differentiation”. This perspective shows the value of differentiation but also the importance of aligning the organisation’s interdependent subsystems internally in respect to the external environment they operate in.

Organisation theory has also delved more into management styles and the best methods for management of employees. One of the more classic organisational theories was put forward in the 1960 book ‘The Human Side of Enterprise’ by Douglas McGregor who established his Theory X and Theory Y which “drew a distinction between the assumptions about human motivation which underlie these two approaches” (Morse & Lorsch, 1970). Theory X “assumes that people dislike work and must be coerced, controlled, and directed towards organizational goals” because in order to avoid responsibility people prefer to be treated like this (Morse & Lorsch, 1970). This is representative of what is considered a more outdated form of organisational theory and is the antithesis of McGregor’s Theory Y. In Theory Y there is an integration of goals that “emphasizes the average person’s intrinsic interest in his work, his desire to be self directing and to seek responsibility, and his capacity to be creative in problem solving” (Morse & Lorsch, 1970). These types of practices in Theory Y resemble some of the internal and employer branding processes that help foster the environment for the brand ambassadors through enthusiasm and commitment.



Since McGregor's organisational theories are considered one of the more predominant theories there are considerable adaptations or alternatives offered throughout the literature. Morse and Lorsch (1970) argue that the two theories can only work in certain situations and offer the Contingency theory discussed earlier as a more appropriate organisational theory for practitioners. The argument is that for the best possible managerial action to create a productive organisation, you need to fit "the needs of its task and people in any particular situation" (Morse & Lorsch, 1970). By creating the polar opposite theories X and Y a manager isn't able to best adapt to every scenario.

As organisational theory has evolved over the years other areas of focus have surfaced. Organisational culture is an area in organisational studies that is of growing interest within literature over the past few decades. From a marketing and branding perspective, the topic of market oriented culture and how to create and maintain it within an organisation is of particular interest. Narver and Slater (1990) established the concept outlining it as a business culture that most "effectively and efficiently creates superior value for customers". Building upon established theory, the market orientation culture consists of three behavioural components; customer orientation (the continuous understanding of the needs of both the current and potential target customers and the use of that knowledge for creating customer value), competitor orientation (the continuous understanding of the capabilities and strategies of the principal current and potential alternative satisfiers of the target customers and the use of such knowledge in creating superior customer value), and inter-functional coordination (the coordination of all functions in the business in utilising customer and other market information to create superior value for customers) (Narver and Slater, 1990 and Narver et al. 1998). The effort of establishing the culture promotes a long term focus and is intended to drive profitability.

Additional literature suggests that market orientation culture may have its downsides as well. Alvesson (2002) considers that the theory is limited in cultural depth and breadth while recommending that it is "important to consider what is *not* given priority and what receives *less* attention as a consequence of a particular culture". For example, imagine market orientation means that production gets a low priority. Then more "resources, status and power may be allocated to marketing and sales, while those responsible for production are downgraded both



substantially and symbolically” (Alvesson, p. 81, 2002). Literature may promote the benefits of a market orientation culture but an acknowledgement of the potential hazards is necessary to insure organisational alignment.

2. EXTERNALBRANDING

2.2.1 EXTERNAL VALUES

The role of the brand has been changing over the past decades. What was traditionally being aimed for the consumer is now increasingly being incorporated throughout the multiple audiences of an organisation such as the employees, shareholders, top management, suppliers and government. As a result, the messages that deliver the identity of an organisation cannot be separated throughout these audiences but is required today to be coherent (Kowalczyk & Pawlish, 2002).

The brand is no longer viewed as a mere “marketing tool” of logos and catchy slogans; it is a growing asset considered as important as the people, equipment or capital of an organisation. Consequently it also deem for the same attention, care and investment in order to grow over time (Petromilli & Berman, 2007).

When it comes to external values, most literature is concerned with brand image and its relation to brand equity. The sources of brand equity differ depending on the various frameworks. Aaker (1996) demonstrate the brand equity in four dimensions; i) loyalty, ii) awareness, iii) perceived quality and iv) associations. These dimensions are along Keller’s (2008, pp. 48) line of thoughts, who define customer-based brand equity as “the differential effect that brand knowledge has on consumer response to the marketing of that brand”, with three key components; a) differential effect, b) brand knowledge and c) consumer response to marketing.

Niklas Persson (2010) perceives brand values less as based in theory and more as an “operational construct or a desired outcome of branding”. This provides the perspective that brand values may be more relevant to practioners then academics. Persson (2010) further elaborates by stating that brand values are “a firm level concept”.



The brand equity models tend to be customer based and Burmann, Jost-Benz & Riley (2008) argue that no brand equity model effectively integrates both the internal and external brand strength perspectives.

2.2.2 BRAND IMAGE

Looking deeper at what drives brand equity, brand image and brand identity are two main components. Next section will investigate brand image in greater detail.

Urde (2009) believes that a corporate brand cannot be stronger externally than it is internally. In a similar manner, according to Persson (2010) a brand cannot be stronger than its image allows for. An understanding that is essential in today's environment, in many industries, is that superior products no longer guarantee success. Interestingly, already back then, Gardner & Levy (1955) suggest that brands may have a personality that may be more important to the customer than information about technical features of the product. Most researchers agree that the value of brands is rooted in the mind of the consumer (Persson, 2010). In an extension, having a brand does not ensure any competitive advantage of the organisation in the market. Rather success comes from those who are capable of managing their brand, display its identity and identify its values, uniqueness and equity (Janonis, Dovaliené & Virvilaitė, 2007).

Brand image can be defined as the various perceptions or associations and beliefs consumers have about a brand (Feldwick, 1996). Herzog (1963, as mentioned in Nandan, 2004) defines brand image as the sum total of impressions that consumers receive from many sources, all of which combine and shape a brand personality. Furthermore, Ditcher (1985, pg. 75) compares brand image to the “placebo effect” in medicine, where a drug's effectiveness can be altered by the aura that surrounds it. Same thing is true in marketing, packaging, advertising and the credibility of a brand name – factors that can alter the power of specific claims. He too argues that brand image is not describing individual traits of a product but is the total impression in the minds of the consumers. It also indicates the way a particular brand is positioned in the market.



Based on Keller's (1993) and Aaker's (1996) brand equity theory a brand's image is constructed with two main dimensions. These being: 1) Brand awareness – the extent consumers recognise and identify the brand under various situations, and 2) Brand Associations – information linked to the brand in the consumer memory including thoughts, feelings, experiences, beliefs and attitudes.

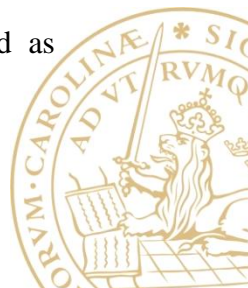
What characterise Brand image is that it does not incorporate any behavioural or intentional dimensions, it merely seize what consumers think or feel. To illustrate, normal brand associations are perceived quality and trustworthiness (Persson, 2010).

The traditional literature suggest that a brand's image is shaped by the brand owning company's managers with various tools such as product design and marketing communications (Keller & Lehmann, 2003). Worth mentioning is that other researchers, primarily from the Consumer Culture Theory field, suggest that consumers also actively customise and shape a brand's image rather than passively receive the messages delivered by the brand owning company (Whipperfurth, 2003 as mentioned in Persson, 2010).

Nandan (2004) argues that a communication gap exist when there is a discrepancy between the encoding and decoding processes. One approach to avoid such a gap is to investigate the relationship between identity and brand image. In addition, strengthening the linkage will also enhance the brand loyalty.

Nevertheless, Hellman (2005) note that it is not sufficient for a B2B product's strategy to include a) a clear definition of target markets, b) points-of-differences from competitors that are compelling to customers, and c) proof that makes its claims credible, in order to be successful. He argues that B2B companies also need to expand their strategies to understand why potential customers are not buying their products, and then develop certain methods to overcome these obstacles.

Above theories provide a sound argument that the role of the consumer is significant even in a B2B industry as brand image precede brand strength. Brand strength has been defined as



customers' reactions or responses to the brand (Keller & Lehmann, 2003). Persson (2010) puts it simply and mean that the brand strength deals with how consumers behave or intend to behave whereas image is more concerned with how consumers think. Common measures of brand strength are price premium, loyalty, recommendation and satisfaction.

2.2.3 B2B CONTEXT

The B2B branding research field has become increasingly popular amongst researchers over the past few years. Branding is no longer considered as an activity exclusively relevant to consumer markets (Kotler & Pforestch, 2006 as mentioned in Persson, 2010). Several empirical findings suggest that brand value exists in business markets, that organisational buyers have favourite brands they are loyal to and willing to pay premium price for (Persson, 2010). Mudambi (2002) amongst others reinforce this by showing that intangible attributes are more important in business purchase decision than previously perceived. Abela (2003) demonstrate the shift from an additive view of brands, i.e. a form of “cosmetics” that adds value to a product, towards an inclusive view where the product is included in the brand's entire offering of values.

2.3 BRANDING PROCESSES

Having reviewed the literature from both internal and external branding perspectives, the next step is to show how these perspectives are applied in branding processes. These processes often span through the internal and external perspectives and will provide a more general and broad understanding of the applicability of the topics covered in the literature review thus far. The process of building and sustaining brands is shifting away from being historically undertaken by junior brand managers who focused more on tactics (Low and Fullerton, 1994 in de Chernatony, 1997). With competition increasing across industries, the value of establishing effective brand building has become a priority in many organisations. As de Chernatony (1997) describes, management has become more of a team based activity with top management more involved incorporating a strategic perspective. This shift is beneficial as it allows the organisation to draw upon a wide range of skills to be able to address company-wide issues, both internal and external, while implementing the brand strategy (de Chernatony, 1997). The following section reviews literature that touches upon some of the current brand building processes.



One of the most prominent and cited authors is Kevin Lane Keller who has written extensively on the processes of brand value and equity creation. Keller and Lehmann (2003) put forward their brand value chain model that centers on the idea that the customer is at the core of the brand. The linear branding process begins with the marketing program investment that is meant to bolster brand value development, whether it is internal and external communications or even the management of employees (Keller & Lehmann, 2003). That first stage incorporates both internal and external perspectives as long as it contributes to the brand. The second stage, the customer mindset, is the central focus of Keller and Lehmann's (2003) chain and includes everything in the minds of the customer with respect to the brand. The customer mindset includes awareness, associations, attitudes, attachment, and activity. The third stage in the process is the brand performance which reflects how customers might respond to the brand by driving demand, increasing market share or through willingness to pay a price premium (Keller & Lehmann, 2003). The final stage is the shareholder value that displays the financial outcomes of the brand value chain. Each stage has a multiplier that "moderates the extent of transfer between these value stages" and they include the program quality multiplier, the marketplace conditions multiplier, and the investor sentiment multiplier (Keller & Lehmann, 2003). The brand value chain provides an integrated approach to the branding process.

Turning from brand value to brand strength, Hoeffler and Keller (2003) generate a brand building model called the brand strength summary. Their model was created based upon an extensive literature review that documented academic research covering all spectrums of brand strength. The model begins with brand strength which consists of brand familiarity, brand knowledge, and brand performance that feeds into the consumer behaviour which includes the attention and learning, interpretation and evaluation, choice, and the post purchase (Hoeffler & Keller, 2003). The consumer behaviour then has an effect on the differential marketing efforts that includes the product, extensions, price, and communications. The differential marketing efforts then contribute back to brand strength starting the cycle all over (Hoeffler & Keller, 2003). This branding process allows for an understanding of the approach to generate brand strength and that all processes aren't necessarily linear but instead in application factors often interact with each other.



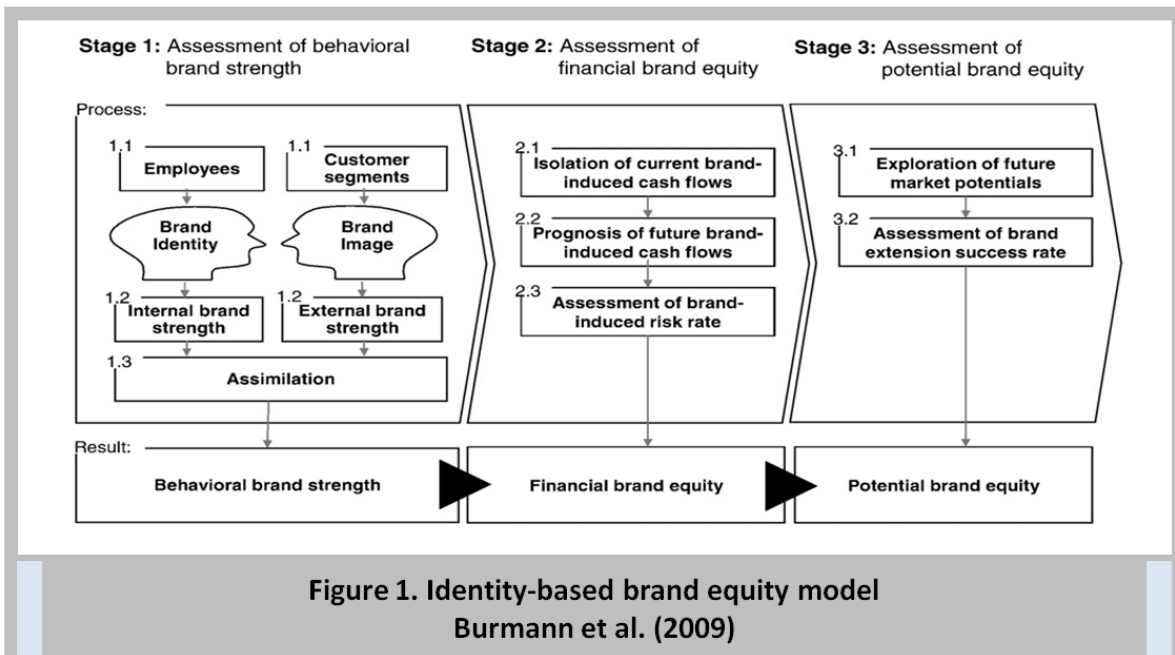
Another prominent author in branding is David Aaker who recently put forward a model for brand identity elaboration. Aaker (2010) emphasises that the brand identity is often too vague with a lack of direction to transfer into the image a company aspires to have. In this simplified branding process he presents four elements to enhance and establish brand identity; strategic imperatives, proof points, internal role models, and external role models. The strategic imperatives are “an asset or program that is necessary for your aspirational image to be achieved or maintained” (Aaker, 2010). Proof points are “programs, initiatives and assets already in place that provide substance to the core identity and help communicate what it means” and adds credibility since it displays to both internal and external stakeholders that the brand is based on a ‘proven substance’ (Aaker, 2010). The third element, internal role models, are individuals, programs, or stories that represent the brand identity, this could be even reflected as a brand ambassador (Aaker, 2010). External role models, the final element in Aakers (2010) process, is meant to expand the brands role model base and use other organisations as role models, finding elements of their brands you admire and aspire to and benchmark to it. Aakers (2010) brand identity elaboration process offers clarity to the brand from implementing four distinct perspectives.

3. THEORETICAL FRAMEWORK

Every analysis requires structure and order to be most valuable in conveying the research results. As the literature review has established, there are two main schools of thought in where the branding process should originate; internally or externally. In an effort to more effectively articulate the interplay that occurs between the internal and external values within the brand building process, a model was chosen that encompasses both perspectives and creates a more balanced approach. The integrated framework that has been chosen is Burmann, Jost-Benz, and Riley’s (2009) Identity-based brand equity model which is an appropriate model to develop our findings on as it takes an innovative approach incorporating elements from established literature into its framework. Their model is developed for a B2C environment where our approach will be analysing its applicability in a B2B context.



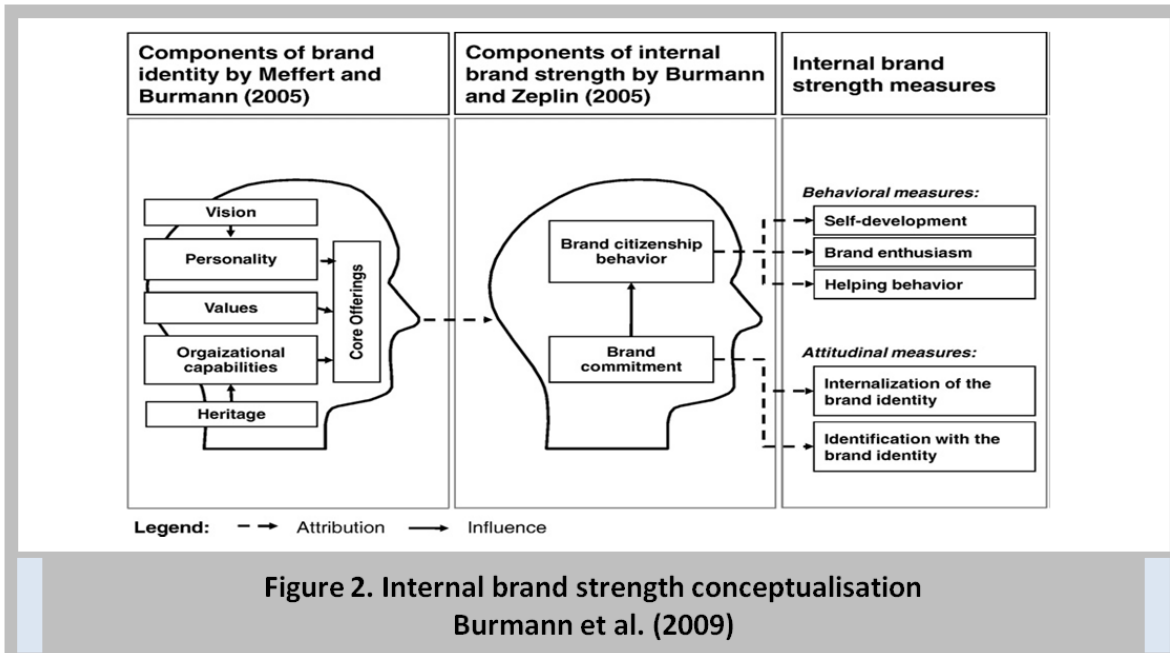
This inside-out model stems from Kapferer’s (p. 99, 2007) perspective that in brand management, identity precedes image. This integrated brand equity model addresses the needs of both academia and practitioners who call for fewer, more integrated measurements (Clark, 1999 in Burmann et al., 2009). Figure 1 outlines the three stage process, the same process that was briefly covered in the literature review. Our analysis will focus on what is pictured in Stage 1, the assessment of behavioural brand strength. Stage 1 focuses on the dynamics between the internal and external elements. Burmann et al. (2009) shows the process from both perspectives in general terms with the internal brand strength derived from employee’s behaviour towards the brand while the external brand strength encompasses the brand attitude of stakeholders and purchasing behaviour relevant to the brand in question. These internal and external perspectives will be described in more detailed through more comprehensive supplementary models. Feature 1.2 in Figure 1 is unique in that “no other brand equity model effectively integrates both the internal and external brand strength perspectives” (Burmann et al., 2009). This approach allows us to display in our research and analysis how the internal brand strength and external brand strength interact and the role they play in developing overall behavioural brand strength.



As a result of the complexity involved in the development of both brand identity and brand image, Burmann et al. (2009) developed further models that outline a more detailed approach to measuring internal and external brand strength. Figure 2, the internal brand strength conceptualisation, establishes a more in-depth approach to developing the internal brand strength measures beginning with the basic components of brand identity. It further proposes to “measure internal brand strength via two interrelated constructs: The first, brand citizenship behaviour, explores the behavioural process employees engage in, that is what it means for employees to ‘live the brand’”, while the second, “brand commitment, explores the psychological processes which lead employees to practice brand citizenship behaviour” (Burmann et al., 2009). The internal brand strength measures in the analysis can then be based on attitudinal measures and behavioural measures. Within the attitudinal measures, the identification with the brand identity reflects the employee’s acceptance of social influences which leads to the feeling of belonging in a group and determines their brand experience (Burmann et al., 2009). The internalisation of the brand identity is the integration and congruence of the identity of the brand with the employee’s self concept (Burmann et al., 2009). These attitudinal measures are a branch off of the employee’s brand commitment.

The behavioural internal brand strength measure is based off of the brand citizenship behaviour and includes the measurements of self development, brand enthusiasm, and helping behaviour. These three basic determinants are discussed more in depth by Burmann et al. (2009) as the self development is defined by “the employee's willingness to continuously enhance brand-related knowledge and skills”, the brand enthusiasm “denotes the employee's propensity of taking additional initiatives, outside the line of duty in brand-related matters”, and finally the helping behaviour reflects the “employee's positive attitude towards his work, his empathy and responsiveness towards other employees as well as customers of the brand”. This more detailed conceptualised framework will provide the basis for our analysis of internal brand strength. By following this process the analysis can effectively outline how our findings are applicable in this brand management context.





Having established the internal brand strength approach the next step is to present the other perspective in more detail, external brand strength. In Figure 3 the external brand strength conceptualisation is displayed. Since much more has been written in literature about external brand strength, Burman et al. (2009) begin their approach by incorporating three predominant perspectives into their conceptualisation; preference, benefit, and knowledge. These schools of thought are further discussed beginning with knowledge that views brand strength “as a set of associations which derive from different customer interactions” (Keller 2003, Srivastava & Shocker, 1991, Krisnan, 1996 in Burmann et al. 2009). The second school of thought, brand benefits, considers “the level of benefit provided to buyers by the brand corresponds to the amount of brand strength ascribed to the brand” (Farquhar, 1990, Baldinger, 1990, Aaker, 1991, Simon and Sullivan, 1993, Rangaswamy et al., 1993, in Burmann et al. 2009). The final category in this section is the preference, which incorporates a long term perspective of the attractiveness of the brand compared to their competition (Francois & MacLachlan, 1995, Park and Srinivasan, 1994, in Burmann et al., 2009). By incorporating these three prominent schools of thought it establishes credibility to the basis of the framework.



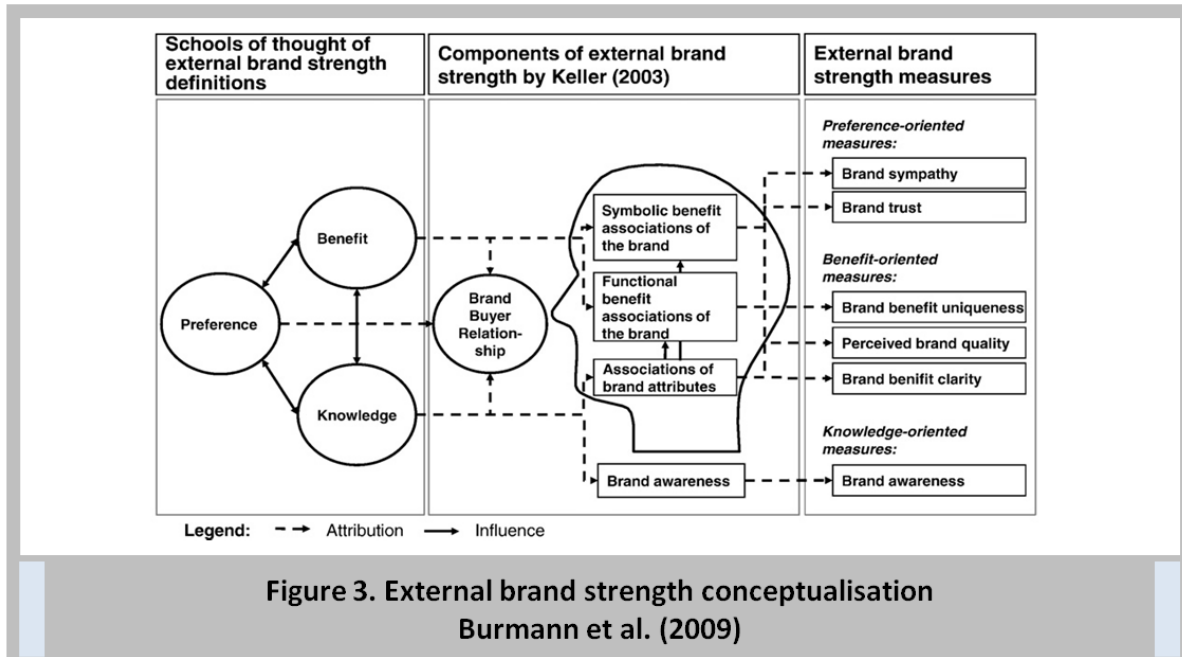
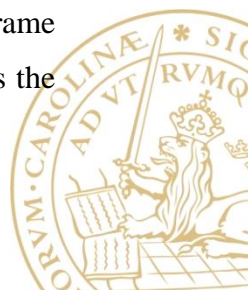


Figure 3. External brand strength conceptualisation
Burmann et al. (2009)

Utilising components of external brand strength by Keller (2003), the three categories of external brand strength measures are reflections of the three schools of thought. First is the preference oriented measures which reflect long term brand preference and delivers ‘relevant information on the sustainability of brand strength’ (Burmann et al., 2009). It is divided into first the brand sympathy, which measures the positive brand perception and a “high level of brand sympathy reflects a close fit between buyer brand image perception and the company's communicated brand identity”, and secondly the brand trust that highlights the buyers belief that the brand will deliver on a functional and symbolic levels (Burmann et al., 2009). The next category of external brand strength measurement is the benefit-oriented measure that reflects the importance of the functional and symbolic brand benefit associations outlined by Keller (Burmann et al., 2009). The three indicators include; brand benefit uniqueness which is how clear and distinct the brand is from the competition, the perceived brand quality that represents the level of brand performance in the buyer’s mind but also addresses “functional and symbolic brand benefit associations, since quality itself does not represent an end in itself, but rather a mean to the end of satisfying buyers' needs”, and finally the brand benefit clarity “where a clear brand image necessitates coherence and integration of the underlying brand associations” (Burmann et al., 2009). The final category that is used to measure external brand strength in this conceptual framework is the knowledge oriented measurement that brand awareness falls under. This reflects the



consumer's ability to identify a brand (Burmam et al., 2009). As a result of this framework being placed in a B2C context, our unique contribution will be to assess these measurements in a B2B context. In the external brand strength conceptualisation the 'buyer' would then be replaced by an external stakeholder, be it distribution or the end consumer, as the channels are different externally in the B2B then B2C.

Having discussed the more developed conceptualisations of internal and external brand strength, a more in depth understanding of Stage 1 in Figure 1 has been presented. Although the Burmam et al. (2009) models are relatively new, their framework is based in well established literature precedents. This should lend credibility to its use in our case study and provide an interesting basis for the results to be analysed. By using this integrated model as the theoretical basis for our analysis, our discussion can develop the understanding of the interaction and dynamics between the internal and external elements in an integrated branding process.

4. THEORETICAL GAPS

What is evident based on aforementioned theories is that there are still several theoretical gaps within and between the internal and external perspectives in the brand building context.

Davies et al. (2004) suggest that aligning positive internal views might create a positive external image for clients. In an extension, Schultz & de Chernatony (2002) argues that culture provides a platform for corporations to develop its uniqueness through its consistent relationship with all stakeholders. This indicates that it is the internal phenomena of organisational culture that has the potential for a strong influence for external image (MacIntosh & Doherty, 2007).

Put differently, it is argued that identity will lead to image rather than the other way around and that if gaps exist then having an identity that is superior to one's image is preferable rather than to have an image that is superior to one's identity (Davis & Chun, 2002).

As a result, the relationship between the brand and the consumers is often considered internally to externally, e.g. how well the brand promise is represented, upheld and foster brand loyalty



amongst consumers. The benefits besides brand loyalty is gained market share and price premium (Petromilli & Berman, 2007).

However, to an increasing extent, branding is a conversation with customers. It is an exchange of information, knowledge, benefits and trust, which subsequently leads to loyalty. Today, people expect and demand a two-way conversation, customers want to give feedback and be heard (Kelly, 2007 as cited in Whisman, 2009; Haynes, Helms & Casavant, 1992). This is an issue that internal branding addresses but it raises the attention to the importance of external values and the opinion of empowered consumers. One recent example is the social demand for Corporate Social Responsibility amongst the bigger brands. Not to mention the role of social media and online communities that exposes and questions the traditional brand ownership.

Thus there is a recent and rising penumbra, grey zone, in what drives values whether it is internal values that drive external values or the other way around and its impact on the brand building process.

The aims of this thesis are twofold. The first is to examine *what role do the drivers of values play in the brand building process?* This aim poses several related questions. Where do the values originate from? Do they originate from an internal source like the founders of a company, or do they arise from an external source such as market research? Does their origin have any influence on the brand building process? An additional consideration is: once the values have been established, how permanent do these values become? How flexible are the values to changes in market place conditions?

The second aim focuses on the relationship between core values and brand values. *How do these constructs influence each other?* This aim will be complemented by an examination of how the values' relationship influences the branding process. In the relationship between the core values and brand values, does one set have a stronger influence when building the branding process? Another dimension would be to compare the academics perspectives with practitioner's impression of the subject. Furthermore, an additional insight would be gained by comparing and



contrasting the varying perspectives of employees at different levels of an organisation and their interpretation of values.

5. METHODOLOGY

This section will outline the overall research design selected for this thesis paper. Several important questions have been posed to guide the research design: What information do we need, considering the objectives of the thesis? How can we obtain this information most accurately and efficiently, given the time frame? Will the methods for obtaining it have any limitations or biases? By answering these questions thoroughly and systematically, the most appropriate research approach and data collection methods can be identified, leading to timely and accurate information, from which real and valuable analysis can be drawn.

5.1 RESEARCH DESIGN AND PHILOSOPHICAL CONSIDERATION

The objective of this thesis paper is to increase understanding of how the interplay between internal and external values in the brand building process can contribute to a brand's strength, in relation to its employees, competitors and customers. To achieve this objective, a single case study within a theoretical framework has been selected as an appropriate methodological approach to data collection and analysis.

Philosophically, the research design proposed here is largely in keeping with the relativist epistemological approach to management research. There are a number of strong indicators of this fact. According to Easterby-Smith, Thorpe and Jackson (2008, p. 63), relativism aims to expose, often utilises questionnaires as a technique, and outcomes that demonstrate a correlation between factors involved in a phenomenon, as opposed to a causal relationship. All of these elements are in keeping with the aims, techniques, and outcomes of this thesis paper. It is a generally accepted viewpoint among academics involved in marketing that branding of an organisation, whether it is internal, external, or both, is an important part of being successful in today's highly competitive business world. This was indicated by the extensive literature review carried out in this thesis paper. By cross-referencing this opinion and the abundance of theoretical knowledge against the case study of a company in the midst of the brand building



process, we can develop elements of existing theory about the relationship of internal and external values and how it can affect the brand building process of a company.

The role of empirical data in this research design must also be addressed. The development of theory, in the case of this thesis paper, requires empirical data of an exploratory and descriptive nature, as we are exploring and describing different theories in relation to an actual company, rather than in an abstract, entirely theoretical context. Accordingly, qualitative data is the most appropriate form of empirical data for this thesis paper and its objectives. As stated by Bryman and Bell (2007, p. 402), with qualitative research, “the stress is on the understanding of the social world through an examination of the interpretation of the world by its participants.”

As described in the theoretical framework section of this thesis paper, the identity-based brand model of Burmann et al. (2009), will guide our analysis of the data that has been gathered during the research process. The term ‘guide’ is critical. This model’s more balanced approach - internal and external - to the brand building process is a very useful tool to aid us in analysing and understanding the, but it is of course not the only theory related to brand building. Many of the other theories discussed in the literature review will also be employed, which will ensure that we have a more circumspect approach than if we were to use only Burmann et al.’s (2009) identity-based brand equity model.

5.1.1 CASE STUDY

It is important to establish firstly why a single case study is appropriate for this thesis, and secondly why Axis Communications is a suitable company for this case study.

According to Easterby-Smith, Thorpe, and Jackson (2008, p.97) single case studies are considered constructionist, which represents a variance from our primarily relativist methodological approach. It is important to be aware of the fact that the choice of a single case is more due to time limitations than any other single factor. It is common-sense that form - in this case the structure and research approach of the thesis - should follow function - fulfilling the



objectives of the thesis with the means and materials available - and by choosing a single case study (as opposed to multiple cases), we are advocating this.

As the purpose of this thesis paper has been established as the development of theory with an exploratory and descriptive edge, it is important to determine why a case study is necessary for this. As mentioned in the previous section on research design and philosophical concerns, the development of theory. Placing the somewhat abstract concepts of these various theories in a real-world context is to the benefit of us as researchers, as well as readers, because that is how they are intended to be viewed. Although they can be discussed in isolation from their application in a company, these theories are intended to be tested and developed by academics and practitioners in the field of branding, rather than remaining as concepts and ideas. As an analogy of this, one could compare it to discussing tactics for a football team - they make sense when merely being discussed, but they are supposed to be employed on the field of play, and that is the only way their finer points can be observed in action.

Axis, being located in Lund and sharing strong links with Lund University, certainly offers access to valuable internal information that would be challenging to obtain elsewhere. The characteristics of Axis as a company - its international presence and system of partnerships, rapid and consistent growth over several years, status as the market leader in the cutting-edge field of network video solutions - indicate that it is a well managed, strong brand. How much of this brand strength is derived from Axis' efforts to brand itself, both internally and externally?

Given the objectives of this thesis paper, selecting a company where the brand building process is visible was vital. For Axis, internal branding has long been of a low priority; the founders of the company instilled strong core values that still guide the company even today, and it is only quite recently, in response to rapid international growth and a maturing market, that Axis' top management has found cause to undertake a more planned and strategic approach (Åberg 2010). The fact that a strategic, planned approach to internal branding was a recent development was ideal for our purposes, and made it far easier to divine certain things that are critical to understanding the relationship of internal and external values in the brand building process, such



as the origins of values and the opinions of those directly involved the process, which may not be available if the brand building process began long before the inception of our research.

5.1.2 AXIS COMMUNICATION – SUMMARY

Founded in 1984, Axis Communications is the recognised worldwide market leader in the cutting-edge field of digital video network solutions. Axis currently operates, through its extensive network of partners (distributors and resellers), in over 70 countries. The digital video surveillance industry is predicted by analysts to enjoy strong growth over the next few years, and Axis is seeking to make the most of these favourable market conditions with “Growth, continued profitability, and a stable financial base will create the right conditions for long-term growth in value for shareholders.” (Axis Communications - Corporate, 2010)

Axis were the first company to begin producing digital video surveillance equipment in 1996, and are viewed by many as the originators of the digital video surveillance market (Kovacic 2010). While the products are of a high quality, Axis commitment to being knowledge leaders and providing customers with solutions, rather than just products, is what management believes will drive the ongoing growth and profitability of the company (Axis Brand Leaflet 2010). The company’s rapid international growth offers up a variety of challenges in maintaining the strong, organic culture that has existed since its foundation, and is the main reason behind the management decision to develop a strategic method for strengthening Axis’ internal brand (Åberg 2010).

5.1.3 DATA COLLECTION

The collection of qualitative empirical data was achieved by engaging the Axis brand building process from perspectives ranging from top management, to employees, to external branding consultants. This involved semi-structured interviews with four different parties involved in the Axis brand building process over a period of several weeks. The Axis Brand Tracking Report 2009 involved a comprehensive survey of Axis’ customers in several different countries, in order to determine Axis’ brand strength relative to some of its major competitors. The wealth of data in the Axis Brand Tracking Report 2009 means that the focus can fall on collecting data relating to



internal branding aspect of Axis, as the external branding aspect of the organisation is already fully investigated, if not analysed from our chosen perspective.

5.2 SEMI-STRUCTURED INTERVIEWS

The purpose of the semi-structured interviews that were carried was to give a further, internal, qualitative commentary on some of the phenomena that this thesis is concerned with, both during and following analysis of the results from the survey of Axis Communications employees. The data that was gathered by the Axis Internal Branding Report 2010 is undoubtedly valuable on its own, but when presented to Axis employees, the comments that they provided to elucidate the issues various points of interest raised by the give the data even greater meaning, as well as the potential for providing explanations that may not have occurred to us as the authors of this thesis paper.

As noted by Bryman and Bell (2007), one of the great advantages of this method of data collection is its flexibility. Neither interviewer nor interviewee is bound by a specific plan or set of questions, merely guided. Ideally the exchange of information becomes more conversational in nature than interrogatory, but there is still a clear focus or agenda that overarches the interview to ensure that the information being gathered is still relevant and usable in the analysis section of this thesis paper.

The interview subjects were selected due to their expertise and experience in different areas, as well as offering different viewpoints in terms of their position within the corporate structure of Axis Communications. Lars Åberg, the Vice President of Marketing, has a top management, strategic perspective of the Axis brand, and its relation to the overall success and future direction of the company. Joanne Kovacic, Branding and Strategic Marketing Communications Manager, is a middle manager with particular expertise in the more tactical and operational aspects of the Axis brand, including the company's plans to roll out a comprehensive internal branding program for all employees over the next year. The final interview subject from Axis is a software engineer who will not be named in this thesis paper. This person is not a manager and has no academic or working experience with the theoretical aspects of branding, and therefore offers an



unbiased perspective on Axis' internal branding initiatives. One additional interview was conducted with Micco Grönholm, the Brand Development Director from Pyramid Communication AB. Grönholm and his colleagues at Pyramid have been working with Axis on strengthening their brand since the strategically planned brand building process began approximately two-and-a-half years ago.

To summarise precisely why these semi-structured interviews are so valuable and appropriate for our purposes, Grönholm (2010) succinctly echoed our thoughts on the importance of speaking to people who have observed the culture and the brand building process of Axis, and gaining a qualitative account of their views on how values have interacted in this context, when he stated “Values are culture. A culture is quite difficult to survey. You can observe culture but you can't survey it.”

5.3 QUESTIONNAIRE

The Axis Brand Tracking Report 2009, compiled over two years by Lund University PhD student Niklas Persson, aims to assess the brand strength of Axis from an external perspective, primarily through understanding of the factors that drive volume and price premiums of Axis' customers across a range of countries. The report not only takes into account the opinions and input of Axis array of distributors and resellers, but also end users. An important limitation to note, however, is that parties already involved with Axis Communications are the vast majority of the respondents that have been surveyed in the Axis Brand Tracking Report 2009, rather than a wider range of customers that use other digital network solution providers, or even analog network solution providers. This is noted by Persson (2009, slide 9), where he states “That AXIS is the strongest brand is to be expected, considering how the questionnaire sample mainly includes AXIS customers. Still, AXIS distance to competing brands is impressively large,...”

The questionnaire that acts as the basis for the data presented in the Axis Brand Tracking Report 2009 comprises 33 statements that are linked to different aspects of the Axis Communications brand, which respondents then rated on a seven-point Likert scale (from '1' representing 'strongly disagree' to '7' representing 'strongly agree'). Categories for these statements included



‘Product’, ‘Service’, ‘Company Reputation’, and ‘Axis Brand Values & Promise’. From the raw data gathered by the questionnaire, Persson draws a comprehensive analysis that gives a current assessment of the strength of the Axis brand externally, defines the most important drivers of price and volume premiums, and forecasts the future potential of the brand.

Many facets of the data and analysis presented in the Axis Brand Tracking Report 2009 are strongly linked to the brand building process, as the report is essentially a branding tool. Critically, it offers a measurement of Axis’ external brand strength which gives us an important point of comparison. It has accordingly been analysed in the context of the external portion of the identity-based brand equity model (Burmam et al. 2009), in much the same manner as the empirical data gathered regarding Axis’ internal branding activities have been analysed.

It was intended when this data was obtained to modify the questionnaire that gathered the data for the Axis Brand Tracking Report 2009 for an internal context, which is to say that it was a tool for discovering Axis employees attitudes towards and thoughts. The inherent time constraints of the thesis process, unfortunately, meant that the questionnaire that was designed could not be distributed. Kovacic (2010) stated that such a questionnaire would be of great interest to Axis, but that they were not intending to use such a tool until next year, as they want to give more time to Axis’ internal branding efforts before measuring their impact. In spite of the fact that the questionnaire was not distributed, and no quantitative data was collected, the process we went through in designing it was valuable as an exercise on a theoretical and academic level, and acted as a good introduction of our intentions and purposes in the semi-structured interviews that were conducted.

The amended questionnaire for Axis’ employees was designed with the objective of gaining a quantitative gauge of how those within the organisation perceive the branding functions and brand strength of Axis. The questionnaire that would gather data for the Axis Internal Branding Report 2010, as it was to be known, was to be filled out by Axis employees from all departments of the organisation. In order to gain a valid impression of the attitudes of Axis employees, we were aiming for approximately 40 to 50 responses. The questionnaire that primarily reconfigured the questionnaire from the Axis Brand Tracking Report 2009, but also introduced some entirely



new elements, in order to ensure that a relevant source of data would be obtained, and critically one that offers data that will make internal and external parts realistically comparable.

5.4 TIME FRAME

The length of time that could be allotted to the collection of empirical data was relatively small, considering the fact that the entire thesis project was over a period of three to four months. We anticipated that allowing employees of Axis approximately two weeks to complete and return the questionnaire in its entirety will be reasonable, although, as discussed, this did not eventuate. Interviews with employees of Axis were conducted both during the questionnaire construction process, as well as after it was clear this method of data collection would not be viable, over a period of two weeks.

6. TARGET AUDIENCE

The target audience for this thesis paper spans several categories. As the approach that has been adopted is theory developing, the first group that this thesis paper is intended for is branding scholars, especially those with a particular interest in the brand building process, as the primary contribution of this thesis paper is towards developing understanding of that very phenomenon. As has been noted previously, most researchers investigate branding through either an internal or external lens. By advocating a more balanced approach and taking a more rounded look at a company's brand building process, we are offering a relatively new approach to branding scholars.

Another group that should find use for this thesis paper are marketing and branding practitioners. Managers of companies in B2B industries or perhaps consultants working with B2B companies will ideally find some of the conclusions drawn from the analysis section of this paper, and from the combined internal and external perspective on the branding process, useful in their own work. The case study of Axis Communications, a highly successful B2B company, in particular may arouse their interest as they see how Axis recognises the importance of the brand building process, and the company's approach to this process. It is certainly possible that some of Axis'



direct competitors could be among those in this group with a particular interest in this thesis paper.

The final audience that this paper is targeting is Axis Communications' top management. It is hoped that the information that has been gathered in this thesis paper, as well as the analysis of that information within the theoretical framework, will provide a concise and insightful understanding of the brand building process that Axis has undertaken. Given that this process is ongoing, some of the conclusions or suggestions for further research may be able to influence the manner in which the internal branding process is evaluated, which, according to Kovacic (2010), is one of the company's priorities over the next twelve months. At the very least, it may provide Axis' top managers with a different, external perspective on their brand building experiences.



CHAPTER TWO



7. RESULTS AND ANALYSIS

7.1 INTRODUCTION

This section of the thesis paper will draw together the information that has been gathered regarding the internal and external aspects of the Axis Communications' brand, and conduct an analysis of it based on Burmann's, Jost-Benz, & Riley's (2009) Identity-based brand equity model, as well as other relevant theories that have been discussed in the Literature Review. The approach taken for analysis will involve each of the sources of data gathered during the research process - specifically, the various unstructured interviews conducted with subjects involved in the Axis branding process, and the Axis Brand tracking Report 2009 - being systematically and comprehensively examined according to the aforementioned theories in order to discern two primary conclusions: the relevance of the brand building process to a B2B company such as Axis; and how effectively Axis has built its brand, internally and externally, thus far. The interviews span across various managerial levels - from top management to brand management and to the employee perspective, it also covers an external branding agency's viewpoint who was involved with the brand building process of Axis.

Looking at Axis Communications their market position is facing dynamic competition, transforming economies, fluctuating consumer preferences, shifting demographics in a world of new technology. Based on these factors it is not a question of whether the organisation should change, but of where, how and in what direction they must change. De Wit & Meyer (2005) argues that for 'living' organisations, change is a given. Organisations have to continuously align themselves with the environment, either by responding to external events, or by being proactive when shaping the business.

For managers the challenge lies to implement the strategic changes in time; to adjust the firm with the changing opportunities and threats of the environment. Herein resides a strategic paradox of revolution (disruptive change) and evolution (gradual change). On one hand,



managers realise that to transform an organisation it is essential to break loose from the past and current state and to start over revitalised.

On the other hand, the value of continuity is also recognised; building on past experiences, investment and loyalties. To achieve this it is essential that an organisation and its people have the time to learn, adapt and grow into the new organisation reality (De Wit & Meyer, 2005).

Aforementioned distinction between disruptive change and gradual change has long been recognised in the strategic management research and organisational behaviour literature. Disruptive change is variably referred to as ‘frame-breaking’ (Grinyer, Mayes & McKiernan, 1987 as mentioned in De Wit & Meyer, 2005), ‘radical’ (Gersick, 1991), and ‘revolutionary’ (Tuschman & O’Reilly, 1996). Gradual change is variably referred to as ‘incremental’ (Quinn, 1980; Johnson, 1988), and ‘evolutionary’ (Tushman & O’Reilly, 1996).

The analysis will show that Axis has succeeded in equipping itself with a high level of brand strength in order to defend its market leader position from competition. This was done with a gradual change strategy by undertaking an on-going comprehensive, company-wide effort to improve its brand personality and is a result of an interplay between internal and external values.

7.2 LARS ÅBERG, VICE PRESIDENT MARKETING, ANALYSIS OF TOP MANAGEMENT

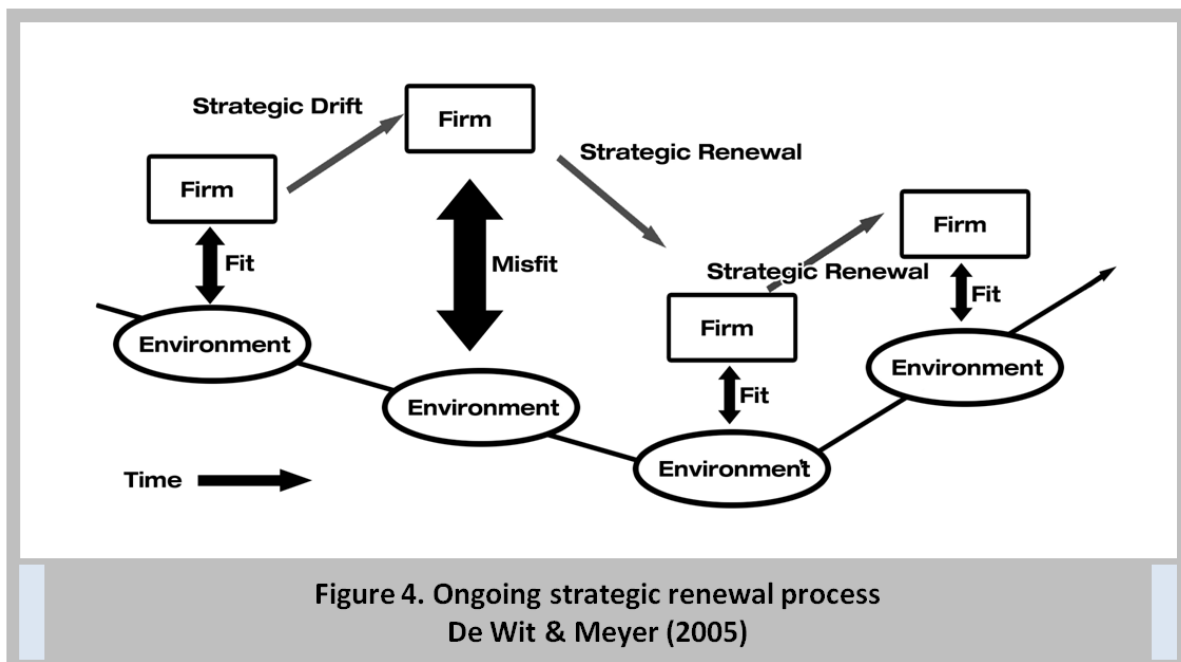
Niccolo Machiavelli (as cited in De Wit & Meyer, 2005, pg. 73) once said “There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success than to take the lead in the introduction of a new order of things. Because the innovator has for enemies all those who have done well under the old conditions, and lukewarm defenders in those who may do well under the new”.

This description fits well with Axis Communications current market position. Having invented the product category they managed to gain a great advantage which led to market leadership. However, they are increasingly facing competition from namely three different types of sources; a) Low cost countries that provide similar products for half the cost, b) Specialists that focus on



high resolution such as Mega Pixel, and c) Well known brands like Sony and Panasonic (Grönholm, 2010).

While change is pervasive, it is important to point out that not all changes in organisations are of strategic nature. Most of the changes are the ongoing operational kind – ‘fine-tuning’ alterations where existing procedures are upgraded, activities improved and people reallocated. Such operational changes aim to increase the performance of the organisation within the confinement of the existing system i.e. try to fit the current organisation’s set-up with the environment (an inside-out approach). Contrary, strategic changes strive to create a new type of alignment and fit between the organisation and the environment i.e. shape the organisation based on the characteristics of the environment (an outside-in approach) (De Wit & Meyer, 2005). Put differently, operational changes are required to maintain the business whereas strategic changes are directed at renewing them. The process of utilising strategic changes to remain aligned with external conditions and demands is called ‘strategic renewal’ (Johnson, 1988). Below figure demonstrate one example of the ongoing strategic renewal process:



For Axis the reasons for branding becoming more important has been a reaction to changes. Their branding approach has been linear and predictable similar to the incremental and evolutionary approach mentioned before. Following illustrative analysis depict the interview



with Lars Åberg, Vice President of Marketing. In the next section he will state a simplified description of the Axis business life cycle and its processes of how it started. Following part then discuss the relationship between core values and brand values - what are their roles and what are the differences from a practitioner's perspective? Third section then investigate the future strategy of Axis branding process and its consistency as well as its incremental change approach. Subsequent part displays a figure of the ongoing strategic renewal process specifically applied to the Axis case based on the interview. This is followed by an extension to the relationship between core values and brand values and describes Åberg's Corporate Concept model. Final section briefly mentions the organisational culture of Axis and ends with the importance of the recruitment process and the role of key people in order to drive the brand forward.

7.2.1 AXIS BUSINESS LIFE CYCLE PROCESSES

De Wit & Meyer (2005) defines organisational processes as the coordination of procedures and routines to control various people and units within the organisation. Some processes span across the entire organisation whilst other have a limited scope. Åberg describes the case of Axis:

“Well, usually the way it works is that first you have a great product and then you need to recruit the salesperson or sales department. They start to work to sell the product and in order to do that they need a data sheet, and a product leaflet, that leads to a brochure and then advertising is needed. This gives birth to the marketing department that serves more as a promotion department. That is what Axis has gone through. Now we are going through strategic issues like branding, and issues like product positioning, improving the market intelligence and there are a lot of things to start looking into”.

This suggest that branding is not a planned approach but as a reaction to operational changes. Nevertheless, as the organisation grows and becomes established it is gradually being incorporated with the strategic agenda. Åberg continues:



“... One thing is our brand promise that can be summarised in the sentence ‘with Axis you stay one step ahead’, meaning that we can break that down to different kind of partners. We can break it down to end users, basically that working with Axis you stay one step ahead of crime or burglary. If you take our partners we are working with, they can stay one step ahead of competition. They will be ahead in terms of technology development. As for our employees working with Axis is being on the forefront, which makes it more fun, interesting and a safer place to work as we always strive to be more competitive”.

The brand promise should be flexible and able to connect to each involved stakeholder whether it is the employee, partner or end user.

7.2.2 THE RELATIONSHIP BETWEEN CORE VALUES AND BRAND VALUES

As with basic leadership theory (Guetzkow, 1963), values can be argued to be created depending on three factors; i) the situation, ii) the leader, and iii) the follower. In a similar manner, in order to explore how a brand creates value it needs to be studied in relation to the situation and the followers. Åberg explains that:

“Core values are the basis for the brand values. Although in simple terms it is the two sides of the same coin. The difference is that core values are more connected to us working here, for example we are going to be open and we are going to ‘act as one’. The brand values however are things we can connect to our communication and the external aspect”.

In his interpretation, the core values and brand values are related but distinct from each other. They do not need to be matched as they target different audiences. This contrasts with Hatch & Schultz (2001) arguments of aligning the values in order to create a stronger brand. Even so, Åberg stress that the interplay between the two is utmost important:

“What is really important especially for a B2B company is that the foundation that the company is built upon is in line with what we communicate. It’s difficult to say



that you are this kind of car if you can't produce the right quality, or the right features, or the right engines, and the same comes for us. The quality we have in terms of engineers, how they act, how they work, is the corner of all of our brand communications, it's really what everything is based upon. That's why it's so important, the groundwork, it's all based on the corporate concept. Nevertheless, you could say that core values and brand values are different things we stand for, but it is how we use them that are important.

One thing that people don't speak that much about internally, which I think from an external point of view is just as important, is brand personality. You and I can stand for the same thing but have totally different personalities, as a company we need to be like a person, one personality if we can be. To transform the values into our personality, how do we act, what do we do, what do we not do and those kinds of things. That is an area that is even more important for us to focus on. This work with internal communication and branding external never ends, it's an ongoing story. Consequently, living the brand is something you have to work with all the time".

Urde (2003) provides an overview and suggest looking at values from three perspectives; 1) values related to the organisation, 2) values summarising the brand and 3) values experienced by customers. It is evident from Åberg's definition and interpretation that the core values can be categorised into values related to the organisation, whereas brand values are experienced by the customers. Interestingly values summarising the brand is shown in the brand personality - the result of the interaction between internal and external values and is an ongoing process.

It is argued that three organisational characteristics are important in order to keep up with an incremental change approach. Firstly, employees within the organisation should be striving and committed to continuously improve (Beinhocker, 1999; Stacy, 1993). Secondly, employees must constantly update their knowledge base and be motivated to continuously learn. This works two ways, in addition to acquiring new information they must also challenge accepted company behaviour as learning comes hand in hand with unlearning (De Wit & Meyer, 2005). Third, employees needs to be motivated to constantly adapt to external change and internal realignment.



Thus managers should encourage flexible structures and processes (Bartlett & Ghoshal, 1994; Eisenhardt & Brown, 1997) as well as an open and tolerant corporate culture in order to provide job security (Nonaka, 1988). Understanding these characteristics will benefit and enable an organisation to act as one person with a consistent personality.

7.2.3 THE CONSISTENCY STRATEGY OF THE BRANDING PROCESS

Åberg argues that:

“Axis Communication is today what it wants to be in the future, and it has to be. Let me explain, if you take a BMW the core values have remained the same for years and years. It is robust, sporty and those kind of things. But then, BMW has to be up-to-date and adjust to the market communication wise. The foundations in values and the car brand are the same but the way it is expressed is different and more modern. The same thing goes for Axis, the values remain the same but the way it is delivered changes.

I would say branding is like building a stairway to heaven, you will never get there. It is one thing to change campaigns - you can make a good or a bad one that fills your objectives. But to choose who you are and to change that is more difficult. Besides, if you really need to make those drastic changes, which sometimes you do need to, then you have not been handling the situation right to start with. To elaborate, I think that you need to adjust every brand along the way but to change something drastically in a short period of time is an indication that it is too late”.

This emphasise on how important the core values are as they are the sound foundation of a brand and will not change even though the way they are communicated does. It also pose the question whether internal values should not be the equal and matched with the external values as it drives a hunger to growth and development; an urge to constantly align and fit with the ever changing environment and the external values. Åberg elaborates with two example:

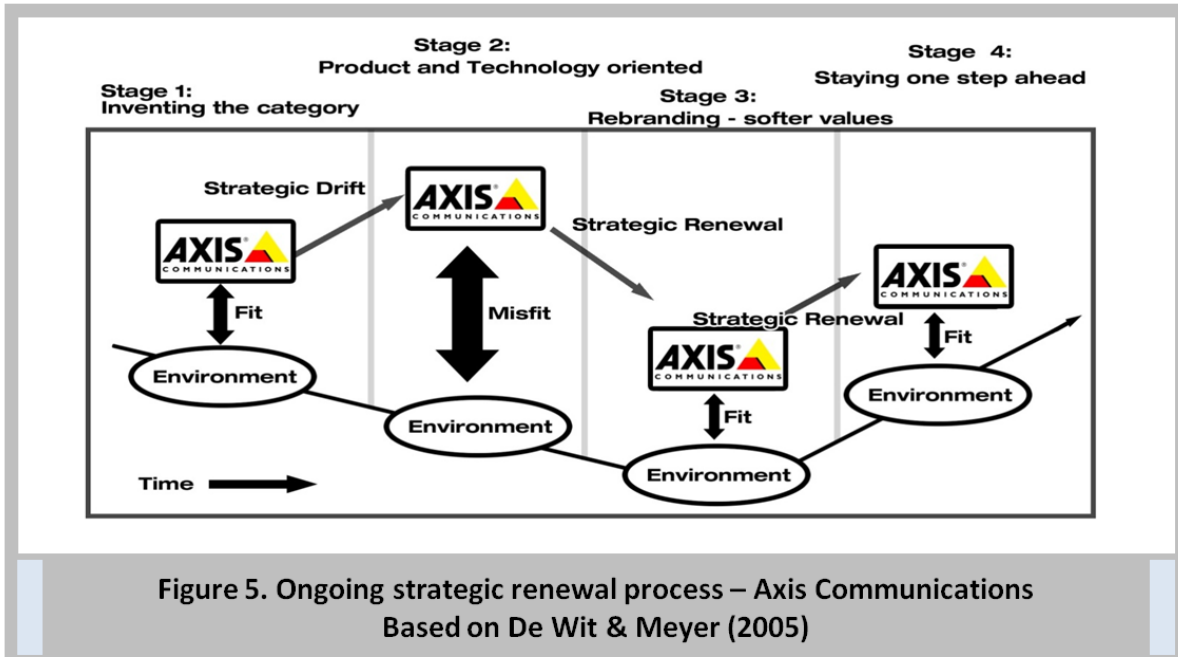


“... If you look at Scandinavian Airlines for example, they have struggled. They had a strong positioning back in the 1980s as the businessmen’s airline, but then the whole market changed and everyone started to fly. They were then faced with how to update their brand and align itself with the market, they chose to be in the low price and established something called snowflake. It was not a success and I think it signals how changes in the environment can cause panic and bad positioning.

To contrast, Apple in the beginning of the 1990s were in some really tough times which is hard to believe today. Then Steve Jobs went back and even though he didn’t change the foundation of Apple, as I see it, he challenged it even more. It was a challenging brand and different in attitude and those kinds of things. So basically, when he came back he focused even more on the things they had done before and that became a great success. When you are going to fix something, you really have to look at what the problem is. Is it the real core of things that is the problem or is it the way you have continued? Basically you need to look into measures, as for Axis us being mainly technology driven required us to get more of a human touch, ‘what is really our offer’, not only our priorities but everything around it needs to be positioned and communicated more. Small, small adjustments will do. One example is that our original brand promise was not really formalised in the right way at Axis, it was not a promise and it was far too introverted so we had to change it”.

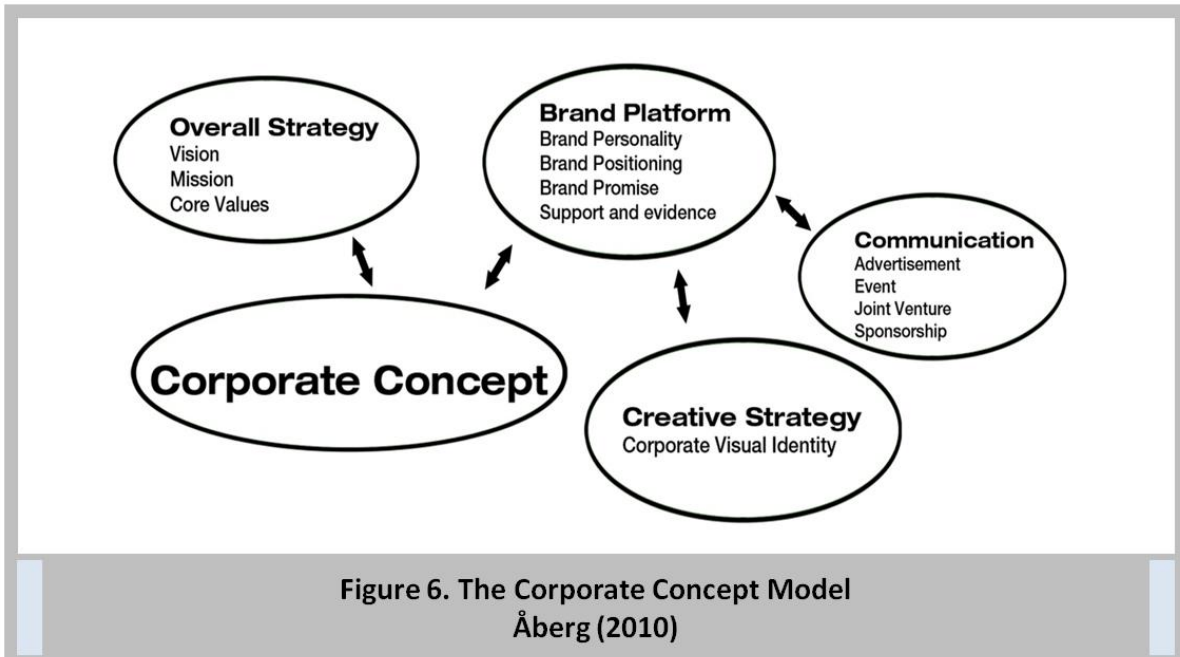
This is, to a certain extent, in line with Edmund Burke’s words “Nothing in progression can rest on its original plan. We may as well think of rocking a grown man in the cradle of an infant” (as cited in De Wit & Meyer, 2005, pg. 80). It also resonates with Urde’s (2009) five insights into core values and stresses the dynamic nature. The insights being: i) Core values evolve, ii) Core values are rooted, iii) Core values are built brick by brick, iv) Core values are challenged and v) Core values support the promise. Based on the analysis above the ongoing strategic renewal process for Axis can be illustrated in next figure:





Stage 1 is shows the phase when Axis invented the product category and became market leaders, their product and technology oriented focus soon led to a misfit with the environment as the product features had little impact when choosing the brand in the video surveillance market (Stage 2) (Grönholm, 2010). This stressed the need for a change and a journey to discover Axis softer values and a closer human touch was initiated (Stage 3). The improved alignment and fit to the environment resulted in a new brand promise of ‘staying one step ahead’ and is conveyed internally as well as externally (Stage 4) (Åberg, 2010).





In order to understand what drives brand values, whether it is the core values that precedes brand values or vice versa Åberg presents his Corporate Concept model. The Corporate Concept could be divided into two parts. The first is the Overall Strategy with a strong internal focus with components such as the vision, mission and core values. Second part is the Brand Platform with external and internal influences such as the Brand Personality, Brand Positioning, Brand Promise and support and evidence to these. The Brand Platform is then influencing and influenced by 1) the Creative Strategy which incorporates all corporate visual identity from the logotype to all the graphics and 2) The Marketing Communication Activities that involves everything in terms of communication whether it is an event, advertisement, product ad, or partner event. This model show that both core values and brand values embodies the corporate concept and whether one precedes the other is of little significance for the outcome. Åberg also mentions:

“I think you can connect this model to any industry. It has been my way to explain internally, how everything is tied together. The challenge is to make people to have some kind of interest towards these very intangible theories. It’s difficult for a R&D engineer to grasp and understand these concepts as they normally don’t have time to think of the intangible and emotional issues.”



I think, as soon as you speak of branding, you can make it really interesting if you break it down as people think it's nice to listen to. But the trick is to make people aware. It's one thing to go to a workshop and they are kind of enthusiastic and having a good time when talking about it, but it's a totally different thing in terms of always thinking about it and really believing in it. You can explain drawings like this to a certain degree but, as I said before, you need to start act”.

7.2.4 ORGANISATIONAL CULTURE

Schein (1993) defined organisational culture as the worldview and behavioural patterns that are shared by the members of the same organisation. As members interact and share experiences together over a longer period of time, constructs of joint understandings are made leading to an emotionally charged belief system that encompasses the values and norms of the organisation and can be described as ‘the way we do things around here’. It is assumed that having the same set of values and frame of references makes it easier to communicate and work as a team. However, the organisational culture is not always homogeneous and may lead to psychological barriers internally (De Wit & Meyer, 2005). Åberg put great emphasis on the corporate culture and the recruitment process:

“One of the major strengths of Axis is that there are some key people that have been here since the very beginning and they are embodying the brand. We need to have certain people who are really driving the brand. As a result we are being very careful in the recruitment process to ensure that we get the right key people on a long term basis. Even if we grow, even if we get qualified people we need to know what kind of personality people are having. That is something that Axis has succeeded in quite well. What I am impressed by Axis is that it is 25 years old, it has grown very fast with a lot of people coming, but there is still a very strong corporate culture and that's quite amazing”.

Whilst an evolutionary approach can be led from the top, it cannot be imposed from the top. Leaders cannot learn on the behalf of the organisation and needs to acknowledge it as an effort throughout the entire organisation spurred by a handful of change agents, champions and other



key individuals (Maidique, 1980; Day, 1994). Axis has recognised this and is incorporating it in the recruitment process.

7.3. JOANNE KOVACIC, BRANDING AND STRATEGIC MARKETING COMMUNICATIONS MANAGER, ANALYSIS OF MANAGEMENT

The branding process requires direction and control by the marketing and brand managers within the organisation. In this case, our interview with the Branding and Strategic Marketing Communication Manager Joanne Kovacic shed some light on this perspective. This interview led to an insightful point of view regarding Axis Communications branding process and the dynamics between the internal and external environment. In addition to the interview, Kovacic provided an Axis brand leaflet that is distributed internally and provides additional insight into the values of the organisation.

The values of the company, like in any branding process, play a central and vital role in the performance and strength of a brand. Kovacic discusses the strength of the Axis brand on the network video market and its perception as the world leader. Their brand values had been thoroughly researched back in 2006 and were checked again in the past years to maintain relevance. She goes on to make a notable distinction that the brand values are externally oriented. These brand values were defined and determined by the consumers which they gathered in their research. Based upon this approach in establishing the brand values, Kovacic states there is no discrepancy between the values they have and the way they are perceived on the market. This relates back to the idea that the value of brands is based on the mind of the consumer (Persson, 2010). The brand leaflet outlines the brand values and their importance to the company through the statement “we want our customers, and the rest of the surrounding world, to know what Axis stands for – what expectations we will fulfil. These characteristics are described succinctly in our Brand Values, which are the ‘DNA’ of our communication with the market: leading expert, dedicated, open” (Axis, 2010). In addition to those three primary brand values, Axis checked and researched additional elements in terms of branding and brand positioning as the competence leader on the market.



Kovacic states that “the brand values are really the core ethics of the company for the outside world and they are also connected very much to our brand essence or brand promise”. This perspective of the brand values relationship with the essence and promise highlights the role of brand values in the brand image. So by performing this external research sampling, Kovacic can effectively check the consumer’s mindset and cater the message to the consumer. The brand leaflet details that in 2009 “5,000+ people – prospective and existing customers, channel partners and end-users” were surveyed and then ranked the importance of the expectations that Axis fulfils (Axis, 2010). The top three were source of knowledge, expertise/advice, and prestige which show some correlation to the brand values. With this line of thought, the brand promise is describe by Kovacic as “helping customers stay one step ahead” and that for her the brand values are really how they get there in delivering that promise.

In terms of Burmann et al.’s (2009) External Brand Strength Conceptualisation, this process considers the brand-buyer relationship by assessing the functional and symbolic associations of the Axis brand. However, in a B2B context, Axis appears focused on the brand-buyer relationship being between themselves and their network of partners and not necessarily the end consumer. That may be a limitation of the External Brand Strength Conceptualization that the brand-buyer relationship doesn’t consider the B2B context. In addition, Axis appears concerned with developing their image in the eyes of their partners in the B2B environment and not as much in the end users. As discussed earlier, Kovacic drew the link between brand values and the brand promise in the external context and she describes Axis’s promise as “a promise that ‘we are helping customers to stay one step ahead’ and to me the brand values are very much about”. In Burmann et al.’s (2009) external conceptualisation, the external brand strength is measured of preference oriented and benefit oriented elements and it seems to be potentially well addressed by the Axis brand promise. This brand promise appears to address the promote brand trust and perceived brand quality by helping customers stay one step ahead.

Having covered the externally oriented brand values discussed in the interview, Kovacic emphasised that they should not be confused with the core values. In describing what core values are Kovacic says “core values, they are internal culture, they are more ethics, guidelines



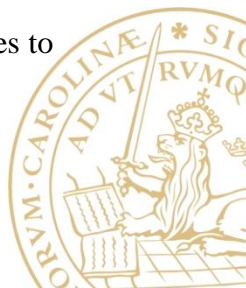
that we need to follow to achieve our work”. Therefore, these core values are completely distinct from the brand values described earlier. To better illustrate Kovacic says:

“To give you an example of our core values, we have one which is ‘act as one’. You see, it is very much internally oriented that we are to work as a team, but it’s nothing that would be relevant to our stakeholders, our customers. So that’s quite a difference, and again brand values are externally orientated but they influence the way we work internally. And core values describe as how we should act.”

The core values are reiterated in the brand leaflet. It describes Axis’s core values similarly “which guide how we work together, how high we are prepared to set our goals, and how we promise to act towards our customers and contacts in the market” (Axis, 2010). These core values are ‘act as one’, ‘think big’, and ‘always open’. The third core value, ‘always open’, draws a parallel to the brand value ‘open’. Kovacic put it nicely describing Axis as being “so open in terms of people, in terms of culture, and in terms of products as well”.

Kovacic’s interpretation of core values can be correlated to Urde’s (2009) five insights into core values. Kovacic considers them as part of the internal culture which relates to how they are ‘inherent’ in a company and how true core values are “mindsets and part of the corporate culture” (Urde, 2009). However, another one of Urde’s (2009) insights, “every time the customers’ expectations are met, the track record of a core value is reinforced and grows stronger”, may be more externally related. This could blur the line between core values and brand values, as defined by Kovacic, and could result in an ambiguity on which values are reinforced and grew stronger.

An interesting point that stood out from the discussion was that Kovacic described how the brand values are externally oriented and based upon the customers resulting in no discrepancies. This value congruence externally is clearly important, but it is also important to consider the value congruence internally between the core values and the employees. Literature has shown that outcomes of value congruence include job satisfaction, organisational identification, and intent to stay in the organisation (Edwards & Cable, 2009). Therefore it is important to align the values to



current and potential employees, be it through training or employer branding processes. Kovacic outlines the importance of this by saying how the brand needs to be aligned to Axis's corporate concept and corporate culture. Part of her plan is to tie in the brand education efforts with the HR department like, for example, incorporating new employee training and orientation programs that educates incoming employees on different aspects of the company. This is a positive move incorporating elements from both the marketing functions and HR functions as employer branding is in practice a unique blend of the two within the organisation (Edwards, 2009). Kovacic said it best by saying that this process is about creating an understanding that goes far beyond marketing.

Having covered the impact of core values and brand values, the discussion of how to convey these to employees in an internal branding process was arisen in the interview. When you have a growing company with employees working in many different functions, be it marketing, engineering, etc., developing a process that effectively communicates and builds the brand is tricky. In Axis's case, Kovacic detailed how this year their internal branding efforts have begun with presentations and workshops that have people from different departments reflecting on the Axis brand. The presentation would include about twenty people and following it they would split into three groups of about six or seven (maximum) and cover three different workshops themes. Kovacic acknowledges the challenge that within branding it is difficult to develop a program that is coherent and accessible to different types of employees based on their job function. De Chernatony (1999) reiterates that point saying the internally the managers challenge is "working across the organisation to ensure commitment, enthusiasm, and consistent staff behaviour delivering these values" In order to address these concerns Axis has developed different levels of these internal brand programs including basic, advanced and expert. In describing the expert level Kovacic depicts it as:

"Basically, if you look at the marketing staff within our different offices, as well as the country managers and regional managers, they should be the expert brand ambassadors, meaning that these people should know everything about the Axis brand. When I say the "Axis brand" I mean the positioning but also the policies



and guidelines related to the brand as well so they are there to promote the brand but also to protect it. That would be the brand guru's within each office."

These brand guru's play an important role. In literature it has been pointed at the importance of the employees that are able to transform the brand message into a brand reality for all the stakeholders (Punjaisri and Wilson, 2007). These brand ambassadors are well aware of the brand vision and values and believe in it (Thomson & Hecker, 2000; Whisman, 2009). In a company like Axis that is growing larger and more international, it is more important to have these brand ambassadors in offices that are going to be able to relay the brand message.

Kovacic continues to discuss the subsequent levels of the process by describing the advanced level encompassing the workshops and presentations with the different departments that covers various aspects of the brand with a particular focus on the brand promise. The basic level then includes basic presentations of a length around ten to twenty minutes. In the Internal Brand Strength Conceptualisation these programs can begin serving the creation and enhancement of the two components of internal brand strength; brand citizenship behavior and brand commitment (Burmam et al, 2009). The workshops and presentations at the advanced level may contribute more towards the development of these components since the basic level incorporates little interaction. Furthermore, given these internal branding processes are in their infancy, it is important to develop internal measures to monitor the effects of their branding process.

Reviewing the effects of the internal branding on employees, it incorporates the brand identification, brand commitment, and brand loyalty as three brand supporting attitudes that directly influence the brand supporting behaviour of delivering the brand promise. The internal branding mechanisms, internal communication and training, are the important drivers in this process (Punjaisri et al., 2008). Kovacic has begun incorporating the training and communication into the branding processes through the use of the workshops and presentations along with tools like the branding leaflet and even simple measures like office branding that includes posters to create awareness of their values. However, Punjaisri et al. (2008) also detail that the internal branding process requires moderating factors that play a role, like relationships with colleagues and personal variables like age and educational background. In a branding process these



elements can be more difficult to manipulate. Kovacic has done well in allowing the relationships to develop between employees across departments by having interactions be promoted in the workshops. However, to insure the success of the internal branding it would be beneficial to have increased and continual interactions to allow the cross functional relationships develop outside the workshops. The issue may be that the workshops occur at a singular point in time and for the branding to promote brand commitment and citizenship it will need continual fostering.

7.4. ANONYMOUS - SOFTWARE ENGINEER AT AXIS COMMUNICATIONS, ANALYSIS OF ENGINEER

The purpose of the semi-structured interview conducted with the Software Engineer from Axis was to understand how well the brand building process has translated the intended message to its target audience, the employees of Axis. Whereas our other interview subjects from Axis, Joanne Kovacic and Lars Åberg, have their professional backgrounds in branding and marketing respectively, and are actively involved in the brand building process at the company, the Software Engineer that was interviewed is unfamiliar on any professional or academic level with the branding process. Therefore, they offer a ‘pure’ perspective on the issues at hand. An semi-structured interview offered the authors the opportunity to delve into the specifics of the Axis brand, and what the brand means to an employee of the company. The anonymity of the interview subject in this case is particularly important in ensuring that the responses given are valid and usable, as it is possible that any concerns the interview subject might have about repercussions of their comments regarding the Axis brand reaching their superiors could influence the veracity of the information.

The interview with the Software Engineer showed, overall, that Axis possesses a strong brand internally. As has been mentioned previously, Bergstrom et al. (2002) state that the three tenets of internal branding are “communicating the brand effectively to employees; convincing them of its relevance and worth; and successfully linking every job in the organisation to delivery of the brand essence.” Although not all brand building activities will be recognised as such by all employees, a number of specific comments made by the interview subject indicate that Axis Communications’ internal branding efforts have been successful in instilling a strong brand



identity amongst the employees, regardless of whether they are aware of it or not. The Software Engineer associates all of the Axis core values - ‘act as one’, ‘always open’, and ‘think big’ - with the company, without specific prompting. The interview subject states things such as that their bosses “would always be open”, that Axis has a “very flat” organisational structure, and that knowledge is the defining factor that makes Axis number one in the digital video surveillance market (Anonymous 2010). These comments indicate that Axis is fulfilling all three of Bergstrom et al.’s tenets of internal branding, in spite of a strategic internal branding plan being a relatively recent priority at the company.

The semi-structured interview with the Software Engineer is equally revealing about the extent and success of Axis’ brand building process and its effectiveness when placed in the context of Burmann et al.’s Identity-based brand equity model. In this model, Burmann, Jost-Benz, and Riley specify five internal brand strength measures. In the category of ‘Behavioral measures’ are self-development, brand enthusiasm, and helping behavior (Burmann et al. 2009). In the category of ‘Attitudinal measures’ are internalisation of the brand identity and identification with the brand identity (Burmann et al. 2009), which are defined in the Theoretical Framework section of this thesis paper.

The three behavioural measures of internal brand strength specified by Burmann et al. branch from the component of internal brand strength termed ‘Brand citizenship behaviour’ (Burmann et al. 2009). The interview subject demonstrates this behaviour through the measures of self development, brand enthusiasm, and helping behaviour. For the first of these measures, self development, they commented that training is provided to employees on request and that they have taken part in such training on several occasions. The Software Engineer’s brand enthusiasm is indicated in the following quotation:

“This year I’m involved in one of these goal activities, which is including automating some of the testing of the pan-tilt zoom system which could be improved as we’re working with certain other systems that are quite old, so it feels like you could solve it in a better way. Then you put maybe two or three hours per week, or maybe one week you work two days on it. But it’s kind of



like, things outside your normal project, so that you do something to improve things overall rather than working just on your own project.”

The final behavioural measure, helping behaviour, is not as obviously demonstrated by the Software Engineer, perhaps because they do not have any direct interaction with customers. An allusion to the general feeling of empathy between the interview subject and their fellow employees as a part of the working atmosphere is, however, included in the statement, “That’s my feeling. Here [Axis] is very different, here it’s like ‘take care of your employees’” (Anonymous 2010).

The attitudinal measures of internal brand strength in the Identity-based brand equity model indicate that the Software Engineer demonstrates commitment to the Axis brand. At one point early in the interview, the interview subject compared their current position with Axis to previous jobs including one for rival firm Sony (although not in video surveillance). They stated, “I was quite happy to work for a Swedish company with more of a work-life balance.”, which shows a sense of belonging to the working culture that Axis has fostered. Perhaps the most striking indication of this interview subject’s commitment to the Axis brand was in their answer to the question “How long can you see yourself working for Axis?”, which was “I wouldn’t mind working for Axis as long as I can see.” (Anonymous 2010). This comment shows that the Software Engineer has internalised and embraced the brand identity of Axis to an incredible extent.

There are clear signs, however, that while the internal branding process at Axis has started to make an impression on employees such as the Software Engineer, areas for improvement remain. Perhaps the most glaring sign of this was the fact that the interview subject did not know the Axis brand promise. When asked what the Axis brand promise is, they replied “Brand promise? ‘Deliver quality’? I’m just guessing.” (Anonymous 2010). While the response is infused with a positive attitude, and quality is indeed something that Axis strives for, it bears little similarity with the actual brand promise, ‘Axis helps customers stay one step ahead’. Similarly the Software Engineer was unable to specify the three core values of Axis, though, as mentioned, many allusions to them were made. One would perhaps not expect all employees of Axis, or



indeed virtually any company, to be able to repeat such things as mission, vision or core values word-for-word on command, but those who are implementing the recent push for a stronger internal brand at Axis are striving for such goals.

In general, the semi-structured interview with the Software Engineer paints a picture of a workplace with an open, hard-working atmosphere, with committed employees and a management that genuinely cares about the well-being of the company for all stakeholders. Given this, when considered in conjunction with Axis' success since it created the digital video surveillance market, and particularly over the recent period of economic turmoil when most other businesses have experienced substantial downturns in growth and profitability, one could reasonably question the necessity of allocating substantial time and resources to changing the working culture that has led the company to this point. Axis' approach to internal branding is theoretically sound, as demonstrated in these semi-structured interviews, particularly with Kovacic and Åberg. As for whether it is required, the answer is not so clear.

7.5. MICCO GRÖNHOLM, BRAND DEVELOPMENT DIRECTOR, ANALYSIS OF EXTERNAL BRAND AGENCY

Having reviewed perspectives from top management, management, and the engineer level, the next interview strives to provide a point of reference from a unique perspective. The Brand Development Director, Micco Grönholm, was our interviewee and works for Pyramid, an international B2B agency that offers strategic support for business and brand development (Pyramid, 2010). This interview provides an outlook from a branding expert external to Axis but with intimate knowledge of the company and brand. Grönholm has work in cooperation with Axis for about two and a half years and was hired to help Axis redefine their branding platform along with establishing a new communications platform. When Axis first came to Pyramid and Grönholm before the branding processes had been emplaced, Grönholm described Axis as being technology and feature oriented as well as being extremely competent in many fields. This stems from how Axis had created the new market category resulting in the focus on product and feature attributes along with an entrepreneurial drive. However, competition became an increasing threat as more companies begin to enter the market. For Axis, as Grönholm discusses, competition and attack came in three forms. First, Axis had to begin competing with low cost manufacturers that



can produce a similar product for half the price. Since Axis is the market leader their position could be considered being a generalist which results in the second threat that has arisen; specialists. An example of a specialist would be a company that focused on creating cameras with a lot of megapixels and would use that specialisation as a point of differentiation from Axis. The third threat is in the form of big, famous brands, and these brands will have the ability to attack Axis based upon reputation. Grönholm discusses this change in market place dynamics as:

“You go from product features being very important by the categorisation, of course since the features are the reason for the category quite often. And as soon as, or as the category becomes more mature you see the features of the product becoming lesser and lesser important in terms of the reasons why people choose a brand before another. And I think that Axis saw that two to three years ago and that led to the conclusion that they need other values than just being product oriented.”

Axis had displayed good foresight in understanding this shift in the marketplace and the need to address it by not only by working internally but by reaching out for help. Grönholm says that when Axis saw this that’s when they approached him and Pyramid to help add a ‘human touch’ to the communication and brand of Axis. In the Burmann et al. (2009) Internal Brand Strength Conceptualisation, the components of brand identity organizational capabilities can include Axis’s history as a strong technology and feature oriented business. However, this changing business landscape required Axis to build a stronger brand identity as they were unable to remain as competitive based on their organisational capabilities alone. Based on this conceptualization Axis would need to incorporate their vision, personality, and values to provide a better core offering that can be leveraged as some sort of advantage over competition. Therefore, put into the context of the Burmann et al. (2009) Grönholm’s work can be given a better conceptualisation.

In developing the communication and brand platform, Grönholm delved into the process he implemented. Grönholm detailed the all day workshop they used at the beginning of the process that brought in individuals from different facets of Axis, people from marketing to product



development, and sought information concerning the products, competition, customers, the need and trends, etc. From this workshop it became apparent that Axis employees had become aware that there was a need to be less product oriented but weren't necessarily aware of the branding processes that could help. With a more developed understanding of the internal workings of Axis, there was a need to carry out some external research. Grönholm then collaborated with Niklas Persson's who had carried out some similar external research through a brand survey and discovered that both the employees and customers concluded that "product features aren't that important when choosing brands for video surveillance". This basic concept can be tied back to how a brand's personality can have more weight in the decision process for customers than the product features (Gardner & Levy, 1955). This can be viewed as the beginning to building a conscious branding process. Based upon the groundwork carried out, Grönholm sat down with branding and marketing executives to lay out a few variables and considerations moving forward which include:

"1) The culture – the core values or the brand values, and you look at 2) the customers and what actually drives sales. And then you try to figure out, based on what Axis can perform and deliver, a positioning strategy being of course; "in what category do you want to operate in the minds of the consumers?" and "What makes us different from everybody else in that category?". We look at brand personality, the tone of voice, the look of feel and everything that can't be stated in pictures but that are conveyed in between. Then we tried to define a brand promise, what expectations do we want to create in the minds of the customers?"

It's important to note how Grönholm had worked in coordination with the executives as building a branding process requires their vision and participation. This process can also serve to highlight how the vision interacts and contributes to the personality component in the Internal Brand Strength Conceptualisation (Burmam et al. 2009). Furthermore, it may be described as how a branding process can work towards closing the vision-culture gap by showing the connection between management and their role in developing the culture of the organisation (Hatch & Schultz, 2001). Grönholm goes on to explain that based on what is established from



this, Axis can have a communication platform that will allow them to convey the most important message consistently.

When asked more specifically about the difference between core values and brand values, Grönholm believed there should not be much difference between the two and went on further to describe core values. Grönholm describes core values as being real or authentic and that is the reason you can't invent your own because it would lack the trait of authenticity. These core values should be values that are inherent in the company and can live forever and can match the main purpose of the company. From his own perspective, Grönholm provides an example of the relationship between core values and brand values:

“In companies where you have different products, I mean, for instance, Procter & Gamble, you can't really convey the same core values through all products, so in those products you quite often see brand values as well. So what you do is based on the core values of P&G for instance you define different brand values that go in line with the core values, that are slightly different to match the product or the offering. In Axis' case, they don't have these. They are a single brand company so they shouldn't really need to have different core and brand values”

This perspective shows the necessity of having both core and brand values in a house of brands while a branded house, like Axis, doesn't necessarily need to differentiate the two. Grönholm continues to describe that the purpose of these values is ultimately to guide behaviour, regardless if it's directed towards one another internally or towards customers externally. Therefore, if these values are driven by the management vision it can guide the employees behaviour to be consistent with the expectations of both the organisation and customers (King & Grace, 2008). Grönholm articulates that when a company defines the core and brand values separately when it is not necessary it can confuse people. When asked if, in his opinion, if brand values are more externally oriented in the minds of the consumers Grönholm says:

“You could define it that way, but then you have to think of what is the difference between brand values and brand positioning? Then you have to define the



difference between brand values and brand positioning, and then you come into the next confusion because brand positioning is actually to create images and feelings and thoughts in the minds of the consumers or customers. So that is basically the same thing as the values, but you could say that the brand positioning is about things that we could actually ask people about, whereas we could never ask people about brand values, have we conveyed the values or not. You could define it that way. Values are culture. A culture is quite difficult to survey. You can observe culture but you can't survey it."

Grönholm's opinion presents brand values as potentially being an element of brand positioning in establishing the brand image. The key difference between the two is that brand values are adjustable in regards to the external stakeholders while the core values are inherent and engrained in the organisation. Grönholm makes an interesting point how "values are culture" and the difficulty of expressing culture in a survey. This means that potentially through observations and interactions the true values of a company can be more accurately understood. Conversely, attempting to measure them, regardless of internally or externally, may lack in a developed comprehension of these values as they consist of certain intangibles.

The interplay between values is important on many levels of the branding process, including the brand promise. Grönholm offers another perspective on the matter. He argues that a brand may not be a promise but rather an expectation. From this point of view it would require starting with the customer and working inward whereas a brand promise perspective would be inside-out. When you create a brand promise you are saying "we promise you this" but this has no weight unless your customers and external stakeholders want you to promise this. This is why Grönholm portrays a brand as an expectation because as a customer once you come in contact with a brand you begin developing expectations without prior knowledge of the promise set internally. Put in the context of Burmann et al.'s (2009) External brand strength conceptualization, the symbolic, functional, and other associations relating to brand attributes can contribute to the brand expectations. However, the branding process created needs to address awareness as well, as pictured in the external conceptualization.



In generating awareness in the B2B market Axis has pursued conventional methods. Grönholm states Axis is represented by somewhere near twenty five thousand to thirty thousand companies worldwide. Towards this group Axis is quite active in their marketing efforts to promote awareness. By doing so, the logic is that the Axis brand will be promoted before other brands by the middle companies who interact with the end customer. Grönholm acknowledges that many B2B companies do not need to market to the end user because “knowledge itself does not add anything to the brand”. This conflicts with the knowledge oriented measurement in the External brand strength conceptualization (Burmam et al., 2009). Despite this, Grönholm develops an interesting theory that a gap may exist in this branding process:

“Say Axis is known by twenty five thousand specialists but it is not known by their customers. That gap could theoretically cause a problem. Because if the specialists say ‘no, don’t buy a Sony camera, you have to buy something from Axis because they are the best’ and then that customer says ‘no, I want to buy Sony because I trust them, then you have a problem’. So that is also challenge that you have to take into consideration. You have to balance the costs to the possible benefit.”

This gap could pose a potential issue and it is hard to measure the impact of the loss of potential consumers. However, by Axis’s commitment of marketing to the specialists they clearly have no worries about developing awareness to the end consumer. As competition increases and Axis must adapt their branding processes, research would be required to determine if positioning to end consumers is beneficial in staying competitive.

7.6. AXIS BRAND TRACKING REPORT 2009, ANALYSIS OF CUSTOMERS

Although this thesis paper is primarily concerned with the brand building process (an undoubtedly internal process), it is critical to remember that the end goal of internal branding is to lead to a stronger brand externally, compelling not only more parties to become customers, but also to become customers that will buy more products and services for higher prices. While it is certainly possible to assess internal brand strength, without examining it in conjunction with data



that indicates the strength of the external brand image, it is far less meaningful. The success of Axis in becoming market leader in their particular section of the video surveillance industry and being profitable over many consecutive years are the most obvious (and arguably important) indicators of the robust strength of Axis Communications' brand image. To understand *why* the brand is strong and what will allow it to grow stronger, one must look deeper into what drives customers to buy in greater volume and at a price premium.

The Axis Brand Tracking Report 2009 assesses the external strength across a number of different countries in which Axis operates, and in relation to some key competitors in the video surveillance market. The countries covered by the report are Brazil, China, Germany, France, Italy, Spain, the United States, and the United Kingdom (UK). The competitors with which Axis is compared are Bosch, Panasonic, and Sony.

The report also presents recommendations of how Axis can “strengthen the brand and enhance future revenue streams” (Persson 2009, slide 2). Interestingly, the questionnaire that is the basis of the report does not focus on customer satisfaction, but rather on customer behaviour that relates more closely to the bottom line - specifically, “what makes them prefer, buy, recommend and pay” (Persson 2009, slide 5)

Among the most enlightening and important details regarding to Axis' brand image to emerge from the Axis Brand Tracking Report 2009 are:

- The Axis brand promise - To help customers stay one step ahead - is considered to be “highly relevant” and “stands out as the single strongest driver of brand strength...” (Persson 2009, slide 9).
- Conversely, the Axis brand values of being ‘dedicated’, ‘open’, and a ‘leading expert’ are considered less important than the brand promise by respondents.
- Sony is Axis’ strongest competitor, while Panasonic and Bosch are less strong.
- Germany and Brazil are the regions where Axis is the strongest relative to its competitors, while France, China, and the UK are the markets where Axis is weakest.

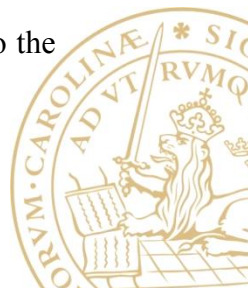


- The overall recommendations over the report are: “At the global level, continue to differentiate the AXIS brand by reinforcing the current brand promise - and especially by emphasising the current brand promise to ‘help customers stay one step ahead’. Address the relative weaknesses that can be found in the local markets.” (Persson 2009, slide 9)
-

By analysing some of the data from the Axis Brand Tracking Report 2009 in conjunction with Burmann et al.’s model, and specifically the external brand strength measures, a fuller picture of Axis’ external brand strength emerges. The meanings of the various external brand strength measures can be found in the earlier Framework section of this thesis paper.

The preference-oriented measures of the model are brand sympathy and brand trust. The Axis Brand Tracking Report 2009 demonstrates high levels of brand sympathy, which is a measure of positive brand perception (Burmann et al. 2009, p. 394). The Net Promoter Score (NPS), an indicator of future brand potential, measures a customer’s willingness to recommend a company to a friend or colleague (Persson 2009, slide 40), which in turn means that a positive perception of a company would be a prerequisite for such a recommendation to occur. Axis has an NPS of +59%, while all three competitors have a negative NPS. Accordingly, one can see that Axis has a high level of brand sympathy amongst respondents. Brand trust is clearly measured by one of the questionnaire statements, and once again shows Axis to be ahead of the competition, in this instance by approximately one point on the seven-point Likert scale (Persson 2009, slide 82).

The benefit-oriented measures are brand benefit uniqueness, perceived brand quality, and brand benefit clarity. All three of these measures once again show Axis to be comfortably ahead of Bosch, Sony, and Panasonic. For brand benefit uniqueness, Axis scores almost six points on ‘Distinctive’, whereas the competitors score five points of under. The score comparison on both ‘Quality Products’ and ‘Expertise / advice’ in tandem is the most effective way of assessing perceived brand quality, as Axis provides both products and services to its customers. Once more, in both areas (and particularly in ‘Expertise / advice’, which has a greater impact on brand strength, Axis is ahead of its competitors. The third measure in this category, brand benefit clarity is best identified by the success of relaying the importance of Axis’ brand promise to the



questionnaire respondents. Not only is this considered the greatest driver of brand strength through its strong correlation to price and volume premiums, but Axis scored almost six on the seven-point Likert scale, which places it clearly ahead of its competitors.

The one remaining external brand strength measure is brand awareness, which falls into the knowledge-oriented category. Slide 42 of the Axis Brand Tracking Report 2009 (Persson 2009) addresses the global top-of-mind awareness of Axis against the three competitors. Axis is dominant over its competitors with 83 percent of survey respondents indicating that Axis is the first company that comes to mind when they think of video surveillance products, compared to 25 percent for Bosch, 32 percent for Panasonic, and 40 percent for Sony.

At the end of the analysis of the Axis Brand Tracking Report 2009, it has been clearly demonstrated that, according to the six measures of external brand strength presented by Burmann et al., Axis has a strong brand image. This resonates even more so when one considers the size and consistency of Axis' advantage over its competitors in all six measures. It is important, however, to stress once more the fact that the majority of the respondents whose views make up the Axis Brand Tracking Report 2009 are already Axis customers.

Axis appears to have wasted no time in applying the lessons learned from this extensive program of external data collection and analysis. Evidence of this is found in the Axis Brand Leaflet (2010), which, on pages 20 and 21, quotes some of the findings of the Axis Brand Tracking Report 2009. These findings are the ten most important expectations of Axis customers, as ranked by the customers themselves. The fact that this relatively new information is already being presented to staff as part of the push for a stronger internal brand illustrates the relationship between the internal and external parts of the brand building process, and the level of importance Axis places on it.

8. SUMMARY OF RESULTS

The analysis has explored the brand building process across five different aspects; i) Top management with a particular focus on strategy and the vision of the brand, ii) Brand management - about the mission and internal implementation of branding iii) Engineer



perspective – which grasps the pure culture aspect and the actual impacts of internal branding, iv) Brand agency perspective – giving deeper understanding of how values are created and identified, and v) The external perspective of end users and customers in the form of Axis Brand Tracking Report 2009.

The analysis reveals a consensus regarding the importance of branding but the opinions regarding the way brand strength is composed differ. Åberg argue that the theoretical meaning and definition of core values and brand values are of little importance. Instead he stress that it is the outcome, the brand personality, generated from the interaction between the two that is of great essence for brand strength. Kovacic on the other hand have a clear impression of core values and brand values and its purposes, and that could be traced to her operational nature of work; where the concepts need to be clearly defined and somewhat tangible in order to be conveyed to the employees. Interestingly, the brand values were clearly shaped and formed based on a brand survey to customers and the external market. In an extension, both Åberg and Kovacic agree that the core values are internal oriented and should serve as a guidelines for how employees should behave. The core values was identified with the help of the Branding Agency and showed to originate from the founders of Axis and influenced by other key employees that has been with Axis for a long period of time. Worth mentioning is that Grönholm suggest that the clear distinction between core values and brand values, being internal as well as external oriented, is an exception in the case of Axis. Instead he argues that the distinction is common among big corporate brands that have core values similar for all products, but also brand values that are distinct to certain products or services in line with the core values.

The interplay between the external values and the internal values are suggested to lead to a strong brand personality according to Åberg, Grönholm calls it brand culture whereas Kovacic refer to it as brand strength. The impacts and implementations of a brand platform have lead to a strong brand image amongst customers as well as a favourable brand identity amongst the employees and brand enthusiasm, which supports Burmann's et al. (2009) Identity-based brand equity model – these are advantages that are hard to imitate and built up over time. The results provide compelling support for B2B companies of Axis' ilk to adhere to a strategic brand building process.



9. CONCLUSIONS

In the case of Axis, the core values are deeply rooted in the heritage of the company and are driven by the beliefs of the founders and other key figures in the organisation. The values are now under the stewardship of Axis's CEO and top management. The core values are a cornerstone of the brand building process, as they are constant and should experience very little change regardless of prevailing marketplace conditions. Instead it is the way these core values are communicated that can change and adapt to a changing environment. In this sense, it can be argued based on the Axis case that, the core values can be disguised as brand values with a strong external orientation.

To elaborate, the relationship between the core and brand values in the branding process cannot be conceptualised as a linear process but must be viewed as a dynamic give-and-take with constant interaction between the two elements. However, core values have a greater influence on the brand building process. This is a result of the longevity of core values and their role in guiding the behaviour of the employees within the company. Core values are meant to be maintained and brand values are meant to be changed accordingly. These findings are however based on Axis interpretation of the concept and the relationship between brand values and core values are not clear as an array of different interpretations of its definition both among practitioners and researchers exist and disturb the understanding of the concept. Yet, investigating the interplay is important, as it is the interaction between the two that drive brand strength. The values do not necessarily have to be aligned in order to be strong, instead it can be argued that a mismatch between the two is beneficial for the brand as it encourage and stimulate constant growth and development when trying to match the internal and external. This further reinforces the message that branding is a dynamic and on-going process, as a result a brand can never be complete but it should strive to constantly learn and develop.



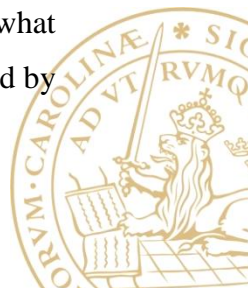
10. LIMITATIONS

The most significant limitation encountered in this study was the inability to collect more empirical internal data in regard to the views held by Axis employees on the elements of internal branding process. As mentioned in the methodology section, it was intended to create a questionnaire based largely on the questionnaire that Persson designed for the Axis Brand Tracking Report 2009, in order to have comparable quantitative data from the internal and external perspectives. Due to time constraints and a mismatch of goals between the authors and Axis at this point in time, this questionnaire was not able to be distributed, and no internal quantitative data was collected. In spite of these difficulties, adapting the approach to focus more on the process of brand building than the outcomes of it has led to equally valuable conclusions.

Another limitation that should be noted is that the development of theory in this thesis paper is linked strongly to the case study. Axis is the established market leader in a growing market, interested primarily in defending its share of the market against competitors, and it is important to keep this in mind when considering the application of theory to its brand building processes and particularly its values. Some of the results of the analysis may be quite different if the company was not the market leader, or if the conditions of the market they are operating in are markedly different from the digital video surveillance market.

11. FUTURE RESEARCH

Branding in the B2B context is arguably becoming more and more important. One gap in theory that would be interesting to research further is the gap between the brand and the end user in a B2B industry. The case of Axis shows a strong relationship link between the brand and its partners in the network. In a way this gives the seller and retailer a substantial role in promoting the brand as Axis are not selling products directly to the end user, and so far it has not been an issue. However, what if the end user wants a well-known brand like Sony or Panasonic? The sales-people in the retailers are not working under Axis and can only recommend and suggest an Axis product, but if the end user still resists and persists in buying another brand because of a stronger general brand awareness and presence – then there is a big issue. Consequently, to what extent is brand awareness necessary amongst the general market – people that are not targeted by



the brand? What are the measurable potential benefits versus the costs? Findings and evidence could reinforce the importance and role of brand building processes in a B2B environment.

Another gap relates to the measurement of the alignment between brand identity and brand image. This study shows that a certain mismatch between external and internal values may be beneficial for the brand. However, how big can this mismatch be before it becomes a threat to the brand? A deeper understanding of this balancing act will help managers maintain and develop the values accordingly.

As has been noted throughout this thesis paper, Axis' strategic approach to internal branding is a relatively recent development. Previously, being a technology and feature oriented brand was perceived by top management as being enough to sustain Axis into the future. The push towards strategic internal branding came when top management felt that this was not enough to maintain Axis' market share, and that rapid international growth and the expansion of the workforce threatened control of Axis' brand and working culture. This is in keeping with established branding theory. But is this changed approach to branding truly necessary for Axis, considering just how successful and conducive to growth the existing, organic brand and working culture were? Further research into this could prove beneficial for Axis, and companies who find themselves in a similar position in the marketplace.



12. REFERENCES

- Aaker, D.A. (1996), "Measuring brand equity across products and markets", *California Management Review*, Vol. 38, No. 3, pp. 102-120.
- Aaker, D.A. (2010), "Improve your brand I.D.", *Marketing News*, Vol. 44, No. 4, pp. 12-13.
- Abela, A. (2003), "Additive versus inclusive approaches to measuring brand equity: Practical and ethical implications", *Journal of brand management*, Vol. 10, No. 4-5, pp. 342-353.
- Alvesson, M. (2002), *Understanding Organizational Culture*, Sage Publications, London.
- Anonymous Software Engineer. (2010, May 15). In-person interview.
- Ashforth, B, & Mael, F. (1989), "Social identity theory and the organization", *Academy of Management Review*, Vol .14, No. 1, pp. 20-39.
- Axis Communications: Axis Communications - Corporate. (2010). Available at: <http://www.axis.com/corporate/index.htm> (accessed 3 May 2010)
- Balmer, J. (1998), "Corporate identity and the advent of corporate marketing", *Journal of Marketing Management*, Vol. 14, No. 8, pp. 963-997.
- Balmer, J & Soenen, G. (1999), "The acid test if corporate identity management", *Journal of Marketing Management*, Vol. 15, Nos 1/3, pp. 69-93.
- Bartlett, C.A., & Ghoshal, S. (1994), "Changing the Role of Top Management: Beyond Strategy to Purpose", *Harvard Business Review*, November-December, pp. 79-88.
- Beinhocker, E.D. (1999), "Robust Adaptive Strategies", *Sloan Management Review*, Vol. 40, No. 3, pp. 95-106.
- Bergstrom, A, Blumenthal, D, & Crothers, S. (2002), "Why Internal branding matters: the case of Saab", *Corporate Reputation Review*, Vol. 5, Nos 2/3, 133-143.
- Bryman, A. & Bell, E. (2007), *Business Research Methods*, Oxford University Press, Oxford.
- Burmann, C., Jost-Benz, M., & Riley, N. (2008),"Towards an identity-based brand equity model", *Journal of Business Research*, Vol. 62, pp. 390-397.
- Davies, G. (2008), "Employer branding and its influence on managers", *European journal of marketing*, Vol. 42, No. 5, pp. 667-681.



Davies, G., & Chun, R. (2002), "Relations Between Internal and External Dimensions", *Corporate Reputation Review*, Vol. 5, No. 2/3, pp. 144-158.

Davies, G., Chun, R., da Silva, R.V., & Roper, S. (2004), "Corporate character scale to assess employee and customer views of organizational reputation", *Corporate Reputation Review*, Vol. 7, No. 2, pp. 125-146.

Day, G.S. (1994), "The Capabilities of Market-Driven Organizations", *Journal of Marketing*, Vol. 58, No. 4, pp. 37-52.

de Chernatony, L. (1997), "Integrated brand building using brand taxonomies", *Journal of Product & Brand Management*, Vol. 6, No. 1, pp. 56-63.

de Chernatony, L. (1999), "Brand management through narrowing the gap between brand identity and brand reputation", *Journal of Marketing Management*, Vol 15, No. 1, pp. 157-179.

de Chernatony, L, Drury, S, & Segal-Horn, S. (2003), "Building a services brand: stages, people and orientations", *Service Industries Journal*, Vol. 23, No. 3, pp. 1-22.

De Wit, B. & Meyer, R. (2005) *Strategy Synthesis, Resolving Strategy Paradoxes to Create Competitive Advantage*, 2nd Edition, International Thomson Business Press.

Dichter, E. (1985), "What's in an image", *Journal of Consumer Marketing*, Vol. 2, No. 1, pp. 75-81.

Easterby-Smith, M., Thorpe, R., & Jackson, P.R. (2008), *Management Research*, 3rd edition, Sage, London.

Edwards, J, & Cable, D. (2009), "The Value of value congruence", *Journal of applied psychology*, Vol. 94, No. 3, pp. 654-677.

Edwards, M. (2010), "An Integrative review of employer branding and ob theory", *Personnel Review*, Vol. 39, No. 1, pp. 5-23.

Eisenhardt, K.M., & Brown, S.L. (1997), "The Art of Continuous Change: Linking Complexity Theory and Time-Paced Evolution in Relentlessly Shifting Organizations", *Administrative Science Quarterly*, Vol. 42, No. 1, pp. 1-34.

Feldwick, P. (1996), "What is brand equity anyways, and how do you measure it?", *Journal of Market Research Society*, Vol. 38, pp. 85-104.

Flipo, J P (1986), "Service firms: interdependence of external and internal marketing strategies", *European Journal of Marketing*, Vol. 20, No. 8, pp. 5-14.

Gardner, B.B., & Levy, S.J. (1955), "The product and the brand", *Harvard Business Review*, Vol. 33, March/April, pp. 33-39.



Gersick, C.J.G. (1991), “Revolutionary Change Theories: A Multilevel Exploration of the Punctuated Equilibrium Paradigm”, *Academy of Management Review*, Vol. 17, No.1, January, pp. 10-36.

Goffee, R., & Jones, G. (1996), “What holds the modern company together?” *Harvard Business Review*, Vol. 74, No. 6, pp. 133-148.

Grönholm, M. (2010, May 24). Telephone interview.

Grönroos, C. (1981), “Internal marketing — an integral part of marketing theory”. *Marketing of Services*, pp. 236-238.

Grönroos, C. (2007), *Service management and marketing: customer management in service competition*, 3rd Edition, John Wiley & Sons, Ltd, West Sussex.

Guetzkow, H. (1963), *Groups, Leadership and Men*, New York; Russel & Russel.

Hatch, M.J., & Schultz, M. (2001), “Are the Strategic Stars Aligned for Your Corporate brand?”, *Harvard Business Review*, Vol. 79, No. 2, pp. 128-135.

Hatch, M J, & Schultz, M. (2003), “Bringing the corporation into corporate branding”, *European Journal of Marketing*, Vol. 37, No. 7, pp. 1041-1064.

Haynes, P.J., Helms, M.M., & Casavant, A.R. (1992), “Creating a Value-added Customer Database: Improving Marketing Management Decisions”, *Marketing Intelligence & Planning*, Vol. 10, No. 1, pp. 16-20.

Hellman, K. (2005), “Strategy-driven B2B promotions”, *Journal of Business & Industrial Marketing*, Vol. 20, No.1, pp. 4-11.

Hoeffler, S., & Keller, K. (2003), “The marketing advantages of strong brands”, *Brand Management*, Vol. 10, No. 6, pp. 421-445.

IKEA (1976), *The Testament of a Furniture Dealer*, IKEA, Älmhult.

Ilangovan, D, & Durgadoss, R. (2009), “Value congruence - personal values and corporate values”, *CURIE Journal*, Vol. 1, No. 4, pp. 92-96.

Janonis, V., Dovaliené, A., & Virvilaitė, R. (2007), “Relationship of Brand Identity and Image”, *Engineering Economics*, Vol. 51, No. 1, pp. 69-79.

Johnson, G. (1988), “Rethinking Incrementalism”, *Strategic Management Journal*, Vol. 9, No. 1, pp. 75-91.



Kapferer, J N. (2007), *The new strategic brand management: creating and sustaining brand equity long term*, 3rd Edition, Kogan-Page, London.

Keller, K.L. (1993), "Conceptualizing, measuring, and managing customer-based brand equity", *Journal of Marketing*, Vol. 57, No. 1, pp. 1-23.

Keller, K.L., & Lehmann, D.R. (2003), "How do brands create value?" *Marketing Management*, Vol. 12, No. 3, pp. 26-31.

Keller, K. L. (2008), *Strategic Brand Management: Building, Measuring, and Managing Brand Equity*, 3rd Edition, Pearson Educational International, New Jersey.

King, C, & Grace, D. (2008), "Internal branding: exploring the employee's perspective", *Journal of Brand Management*, Vol. 15, No. 5, pp. 358-373.

Kowalczyk, S. J., & Pawlish, M. J. (2002), "Corporate Branding through External Perception of Organizational Culture", *Corporate Reputation Review*, Vol. 5, No. 2/3, pp. 159-174.

Kovacic, J. (2010, May 12). Telephone interview.

Lok, P., & Crawford, J. (1999), "The relationship between commitment and organizational culture, subculture, leadership style and job satisfaction in organizational change and development", *Leadership & Organization Development Journal*, Vol. 20, No. 7, pp. 365-376.

Mahnert, K, & Torres, A. (2007), "The Brand inside: the factors of failure and success in internal branding", *Irish Marketing Review*, Vol. 19, Nos. 1/2, pp. 54-64.

Maidique, M.A. (1980), "Entrepreneurs, Champions, and Technological Innovation", *Sloan Management Review*, Vol. 21, pp. 1055-1085.

MacIntosh, E., & Doherty, A. (2007), "Extending the Scope of Organisational Culture: The External Perception of an Internal Phenomenon", *Sports Management Review*, Vol. 10, pp. 45-64.

Mudambi, S. (2002), "Branding importance in business-to-business markets: Three buyer clusters", *Industrial Marketing Management*, Vol. 31, No. 6, pp. 525-533.

Nandan, S. (2004), "An exploration of the brand identity-brand image linkage: A communications perspective", *Brand Management*, Vol. 12, No. 4, pp. 264-278.

Nonaka, I. (1988), "Creating Organizational Order out of Chaos: Self-Renewal in Japanese Firms", *California Management Review*, Vol. 30, No. 3, pp. 9-18.

Persson, N (2009), *Axis Brand Tracking Report*, School of Economics and Management, Lund University, August 2009.



Persson, N. (2010), “*Tracing the drivers of B2B brand strength and value*”, Doctoral Dissertation, Lund University.

Petromilli, M., & Berman, S. (2007), “Brand Architecture as a Strategic Weapon”, *Handbook of Business Strategy*, Vol. 4, No. 1, pp. 348-355.

Punjaisri, K., & Wilson, A. (2007), “The role of internal branding in the delivery of employee brand”, *Journal of Brand Management*, Vol. 15, No. 1, pp. 57-71.

Punjaisri, K., Wilson, A. and Evanschitzky, H. (2008), “Exploring the Influences of Internal Branding on Employees' Brand Promise Delivery”, *Journal of Relationship Marketing*, Vol. 7, No. 4, pp. 407-424.

Pyramid: Pyramid About Pyramid (2010). Available at: <http://www.pyramid.se/en/About> (Accessed 26 May, 2010)

Quinn, J.B. (1980), “Managing Strategic Change”, *Sloan Management Review*, pp. 3-20.

Sartain, L., & Schumann, M. (2006), *Brand from the inside: eight essentials to emotionally connect your employees to your business*, Jossey-Bass, San Francisco, CA.

Sasser, E., & Arbeit, S. (1976), “Selling jobs in the services sector”, *Business Horizons*, Vol. 19, No.3, pp. 61-65.

Schein, E.H. (1993), “On Dialogue, Culture, and Organizational Learning”, *Organizational Dynamics*, Vol. 22, No. 2, pp. 40-51.

Schultz, M., & de Chernatony, L. (2002), “The challenges of corporate branding”, *Corporate Reputation Review*, Vol. 5, No. 2/3, pp. 105-112.

Stacy, R.D. (1993), “Strategy as Order Emerging from Chaos”, *Long Range Planning*, Vol. 26, No. 1, pp. 10-17.

Thomson, K., de Chernatony, L., Arganbright, L., & Khan, S. (1999), “The Buy-in benchmark: how staff understanding and commitment impact brand and business performance”, *Journal of Marketing Management*, Vol. 15, No. 8, pp. 819-836.

Thomson, K., & Hecker, L. (2000), “Value-adding communication: Innovation in employee communication and internal marketing”, *Journal of Communication Management*, Vol. 5, pp. 48-58

Tuschman, M.L., & O'Reilly, C.A. (1996), “Ambidextrous Organizations: Managing Evolutionary and Revolutionary Change”, *California Management Review*, Vol. 38, No. 4, pp. 8-3.



Urde, M. (2003), "Core-value based corporate brand building", *European Journal of Marketing*, Vol. 37, No. 7/8, pp. 1017-1040.

Urde, M. (2009), "Uncovering the corporate brand's core values", *Management Decision*, Vol. 47, No. 4, pp. 616-638.

Vallaster, C, & de Chernatony, L. (2006), "Internal brand building and structuration: the role of leadership", *European Journal of Marketing*, Vol. 40, No. 7, pp. 761-784.

Whisman, R. (2009), "Internal branding: a university's most valuable intangible asset", *Journal of Product & Management*, Vol. 18, No. 5, pp. 367-370.

Åberg, L (2010, May 21). In person interview.

