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Succeeding on the Market:
Building B2B Brand Image and Brand
Strength to establish a valuable brand

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Summary

In today's society, the relative superiority of a product is not enough to guarantee its success on a marketplace. Rapid economic development rates and advancing technology has led to a more competitive global market. Increased accessibility to information and cross-border transactions is a result of market transparency and advanced communication techniques. Creating product imitations or very similar products as well as marketing and distributing these are easier, consequently lowering the general lifespan of products. Tools of differentiation and legal protection of exclusive rights to attract and maintain purchasers are necessary. Therefore, the establishment of strong brands and legally protectable trademarks is vital for companies' survival and expansion on the market.

A trademark is a distinguishing mark or symbol with the purpose of identifying the subject it stands for. The purpose of trademarks on marketplaces is to provide a unique identity for providers of goods and services. It is a broad concept and can cover anything linked to a company. A brand is an even wider concept *representing* a company and its products and services. It is the promise of what buyers can expect. The function of brands as indicators of characteristics including origin, quality and function *differentiates* company offerings from those of competitors. The importance of brands has become increasingly recognized in the 20th century. It is evident that brands constitute *value*. The theory of brand equity is one method to concretize a company's overall brand value. It is a set of perceptions linked to a brand that together affect the value of it. This theory is of interest to all players on the market including brand owners, customers, final consumers and competitors. The brand perceptions that constitute the brand equity model are brand image, built upon brand awareness and brand association, brand strength, determined by brand loyalty and finally monetary brand value as depicted as intangible assets on companies' balance sheets. The interrelations between these components are vital to establish the aggregate value of a brand.

Brand building and management is a determinate factor contributing to a profitable firm. However, it is an area lacking in substantial research on business-to-business (B2B) marketplaces. This is because the significance of brands during business interactions between companies has not been extensively acknowledged in previous studies. There are few, if any, reliable mechanisms to measure and evaluate overall brand value. The essay describes the components of brand equity and methods of building brand value. To provide for an empirical case study, the Swedish multinational company Tetra Pak and its corporate brand is examined. The Tetra Pak Group is a manufacturer of packaging material, filling machines, distribution equipment and processing solutions. Preceding research has been done on brand equity within business-to-consumer (B2C) markets, yet this presentation focuses exclusively on the less investigated field of brand equity on B2B markets. Purchases on consumer markets are for personal consumption reasons and brands play determinate roles in appealing to emotional aspects during decision-making processes. While transactions on business markets done by company employees on behalf of corporate entities are complex, involving high stakes and not done for personal consumption, brands

arguably play an important role in affecting psychological thought processes within active individuals on these markets.

Emphasizing how and why brands are important on B2B markets and proving that the efforts and investments done by B2B companies placed into branding is worthwhile provides for the core purpose of the essay.

Sammanfattning

I dagens samhälle räcker det inte med en produkts relativa överlägsenhet för att garantera dess framgång på marknaden. Snabb ekonomisk utveckling och avancerad teknologi har lett till knivskarp konkurrens på den globala marknaden. Genom ökad marknads transparens och avancerade kommunikationer underlättas tillgänglighet till information samt genomförande av gränsöverskridande transaktioner. Det har blivit allt lättare att skapa produktimitationer och liknande produkter och detta leder till att livslängden på produkter förkortas. Behovet av att kunna särskilja produkter på marknaden samt skydda dem juridiskt är ett etablerat faktum, detta för att locka och behålla köpare. Därför är det av stor vikt för företag att bygga starka varumärken så att de kan överleva och växa på marknaden.

Ett varumärke är ett särskiljande märke eller symbol som har till syfte att identifiera ett särskilt objekt. På engelska skiljer man på termerna "brand" och "trademark", då "brand" är ett övergripande begrepp som innefattar allt vad ett företag står för, alltså dess löfte och "trademark" avser ett sådant märke som fått skydd enligt lagen. Varumärken syftar till att ge säljare en unik och särskiljande identitet på marknaden. Det är en *representation* för företag och dess produkter samt ett löfte om vad som kan förväntas därmed. Genom ett varumärke kan köpare få insikt om en produkts ursprung och kvalité och därmed särskiljas från vad konkurrenter har att erbjuda. Vikten av varumärken har blivit allt mer erkänt under det senaste århundradet eftersom det framgått allt tydligare att varumärken har ett *värde*. Teorier inom varumärkesvärdering som mäter hela kapitalvärdet på varumärket, kallat "brand equity theory" är en metod att konkretisera det totala värdet. Detta består i sin tur utav olika komponenter som tillsammans utgör byggstenarna på det totala varumärkesvärdet. Värdet av varumärket är av stort intresse för alla inblandade parter på marknaden, inklusive själva företaget samt dess kunder, konsumenter och konkurrenter. Komponenterna för varumärkesvärdering innefattar dels hur individer känner och tänker när de möts av ett varumärke, kallat varumärkesimage och dels på deras medvetenhet samt associationer till varumärket. Varumärkesstyrkan är baserad på individens lojalitet mot varumärket och är nästa steg i ledet. Sist uppmärksammas det ekonomiska värdet som står på företags balansräkningar som immateriella tillgångar. Sambanden mellan dessa komponenter är av stor vikt eftersom det är dessa som bygger det totala varumärkesvärdet.

Uppbyggnad och förvaltning av varumärken kan vara en avgörande faktor som bidrar till ett framgångsrikt företag. På business-to-business (B2B) och industriella marknader saknas det utförlig forskning inom detta område. Här finns få tillförlitliga sätt att mäta och utvärdera varumärkesvärden. Uppsatsen belyser komponenterna inom varumärkesvärdering samt möjliga tillvägagångssätt för att mäta varumärkesvärde. Genom att undersöka det svenska multinationella livsmedelsförpackningsföretaget Tetra Pak AB och dess varumärke som empirisk fallstudie kan teorin exemplifieras ytterligare. Tidigare forskning inom varumärkesvärdering har gjorts på konsumentmarknader där köp vanligtvis görs för personligt bruk och då varumärken vädjar till stor del till känslomässiga aspekter under beslutsprocessen. Varumärken spelar en

avgörande roll på företagsmarknader där komplexa transaktioner sker med höga insatser trots att de görs av företagsanställda på uppdrag av företagen och inte för egen konsumtion.

Huvudsyftet med uppsatsen är att belysa hur och varför varumärken är viktiga och att påvisa att ansträngningar och investeringar som görs på B2B marknader är lönsamma.

Preface

The experience of writing this Master's thesis proved to be an exceptionally interesting and exciting final stage within the course of my law education. Plunging into a wide subject area and discovering a particular area of interest to investigate has been a valuable and developing learning adventure.

I wish to express sincere gratitude to the following individuals for their valuable contributions throughout the course of the work.

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*Marie Svensson
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Abbreviations

B2B	Business-to-business
B2C	Business-to-consumer
CTM	Community trademark
CTMR	Community Trademark Regulation (EC) No 207/2009 of 26 February 2009
Directive	Directive 2008/95/EC of the European Parliament and of the Council of the 22 October 2008 to approximate the laws of the Member States relating to trade marks.
EC	European Community
ECJ	European Court of Justice
EU	European Union
FSC	Forest Stewardship Council
GAIN	Global Alliance for Improved Nutrition
GCNF	Global Child Nutrition Foundation
INTA	International Trademark Association
ISO	International Organization for Standardization
OHIM	Office for Harmonization in the Internal Market
R&D	Research and Development
TFEU	Treaty of the Functioning of the European Union
TRIPS	Agreement on Trade-Related Aspects of Intellectual Property Rights
WHO	World Health Organisation
WIPO	World Intellectual Property Organisation
WTO	World Trade Organisation
WWF	World Wildlife Fund

1 Introduction

1.1 Background

*“Intellectual Property is seen as one of the most valuable assets that we have”.*¹

The superiority of a product itself is today often not enough to guarantee its success on the market. Marketplaces are becoming increasingly global, stretching beyond national and continental borders. Vast amounts of goods and services are available, innovation rates are high and price ranges are competitive, resulting in relatively short life spans of products. Distance and borders no longer provide limits for the movement of goods and services and this further contributes to increased cross-border availability of demanded products. Companies aim to expand economic productivity and efficiency. These business-oriented entities strive to establish, grow and make high profits. Yet since markets are highly competitive, they must discover ways of differentiation and methods to make lasting impressions on individuals.

There exist multitudes of resources within firms to satisfy their economic aims. These include human, financial, organisational and physical assets. *Trademarks* are one such important resource. They are legally protectable graphic symbols used to identify, provide information and differentiate. Trademarks appeal to psychological dimensions of individuals.² Brands are a wider concept and incorporate the overall identity of what it represents. The brand is the promise of what to expect, serving the purpose of *identification* and *recognition*. Brands are crucial assets for active firms. They are valuable and possess monetary worth. Successful brands grant competitive advantages. The role of brands on business-to-consumer (B2C) markets where companies and end consumers interact directly has been researched yet the situation on business-to-business (B2B) markets, involving transactions between firms, deserves further investigation.

Inspiration for this thesis is derived from a particular market research of around 300 of the largest businesses across Europe. Headlines included are that only half of the businesses asked had an intellectual property strategy. A limited number were involved in measuring values of their brands and only 38% of businesses interviewed conducted valuation measurements of their intellectual property.³ An additional issue is *if* the companies that *do* place investment efforts into company brands find that these are worthwhile. Companies need to be aware that brand investments pay off and evidence should be provided to support this. It is of interest for firms to place value into their brands to learn out how much income

¹ DLA Piper Business Law Firm, <http://www.dlapiper.com/home.aspx>, *DLA European Intellectual Property Survey*, p. 14, Trade Marks Officer, Manufacturing/Hire Company. The DLA European Intellectual Property Survey was conducted for DLA Piper Business Law Firm in 2004 by TNS Financial and Professional Services, <http://www.tnsglobal.com/tns-worldwide-offices>.

² Tait, Nikki, *Businesses 'fail to look after intellectual property assets'*, Financial Times London, 28/10/2004.

³ The DLA Survey, (2004), p. 14.

they generate, how long this can last and what risks exist.⁴ The concept of what a “strong” brand is provides another area of uncertainty. It can be one with satisfied and loyal customers, one representing a firm with large incomes and funds or the socially most well-known and famous brand. *Legal aspects* also provide for relevant discussion. If a company protects and maintains its trademarks and consistently delivers according to its promises then a strong brand can be built.

The importance of brand equity, which is the *overall* value of a brand, for the economic success of companies on the market is an issue that deserves emphasis. It is an expansive area of study of importance to the future. It illuminates questions within current affairs, international stability and social and economic development. Trademarks and brands are bearers of large commercial and economic interests.⁵ Without understanding the value of brands and brand building, companies might neglect efficient development of their brands. This makes it challenging for them to *differentiate* themselves amongst each other and attract purchasers. The negative consequences involve decreased competitiveness. The results of less competition are a lack of incentive for businesses to develop through innovation and creativity. This would lead to overall negative effects on the international economy and essentially harm individual peoples’ qualities of life. Branding on business markets is a fascinating field as today’s juridical entities are facing the effects of market fragmentation, globalization and acquisitions that influence brand strategy decisions.

1.2 Purpose

The purpose of the thesis is to explain how and why brands are important on B2B markets and prove that the efforts and investments done by B2B companies placed into branding pay off. B2B brands are important in affecting customer firms’ decision-making processes, ultimately affecting business dynamics on the market. The hypothesis is that establishment of individuals’ brand awareness and maintenance of positive brand association builds a strong brand image, which in turn contributes to increasing and concretizing customer loyalty towards a brand, leading to brand strength. This ultimately leads to a strong and valuable brand.

1.3 Methodology

Theories within brand equity are continuously evolving, much due to developments on modern markets. Relevant theory is found *both* within B2C and B2B markets. The material used is mainly literature on brand management and intellectual property law. Much of the literature takes B2C perspectives yet can be applied upon B2B markets. Despite differences within branding in the two markets, theory is generally applicable in both situations.

Areas often included in companies’ intellectual property strategies are identification and creation of new intellectual property as well as enforcement

⁴ Chasser, Anne H. & Wolfe, Jennifer C, Esq., APR, *Brand rewired- Connecting Intellectual Property and Creativity Strategy*, John Wiley & Sons, Inc., (2010), p. 19.

⁵ Levin, Marianne, *Lärobok i immaterialrätt*, Norstedts Juridik AB, (2011), p. 380.

and registration of this. Missing are *measurements of the performance* of intellectual property strategies and *valuation* of it. The Swedish multinational B2B company Tetra Pak and its brand will be used to concretely illustrate the theory on brand equity and valuation of brands. The interrelations between the Tetra Pak brand and the company's B2B customer firms will be of particular emphasis to highlight the main theoretical assumptions. The company's efforts in increasing value of the company brand will be of particular interest in order to provide further illustrations of the issue. The essay takes a nomothetic perspective when highlighting the research question, utilizing the Tetra Pak Group's methods when managing brand equity as an *exemplification* to support general comparisons and discussions.

The essay is of an interdisciplinary nature. This means that it touches upon the field of law as well as within the fields of business administration, economics and psychology. Theories found within these fields are implemented to illustrate the main issues of the legal aspects of the work. Connecting concepts within trademark law with theories found in brand equity is done. Likelihood of confusion and association in law is related to brand association. Protection of well-known marks through legal regulation is linked with brand awareness.

1.4 Terminology

In my opinion, there exists some confusion when approaching the relevant terminology within branding. The differences between commonly interchangeable terms including brand, trademark and logo is presented. The term "mark" is used to indicate signs, words and phrases used to identify or represent a subject matter. Additionally, components constituting brand equity, which involve brand image, brand strength and brand value, are crucial to distinguish between. Using the phrase "customer", I am referring to the business-to-business relationship between a supplier or manufacturing company and a purchasing company. When applying the term, "consumer", I am indicating the final end-purchaser of products. Furthermore, when discussing the B2B company under investigation, the phrase "the Tetra Pak Group" refers to the company itself as a juridical entity. "The Tetra Pak brand/trademark" refers to the company's brand or legally protectable marks. Words and phrases put in italics are for emphasis.

1.5 Delimitations

To narrow the scope of the essay, focus is on brand equity theory within B2B markets. All companies are assumingly profit-oriented. Brand equity has evolved into a multitude of definitions and theories. One perspective is the economics based theory, also known as financially based brand equity, and focuses on the monetary value of brands. Another perspective is to focus on customer-based brand equity, which takes a more psychological and emotionally based approach. This view is more appropriate to link to legal aspects. Therefore, the customer-based brand equity perspective dominates the approach of the thesis. Focus lies on brand image and brand strength building overall brand value.

The relevant areas of law to apply are intellectual property law and competition law. Trademark law is the discipline within intellectual property law that will form the main basis for discussion on relevant legal regulations. I will predominantly apply European Union trademark law and cases determined by the ECJ. Protection of goodwill and well-known marks constitutes the focus in the discussion connecting concepts in trademark law and brand equity.

1.6 Disposition

The thesis initiates by presenting brands and their functions, including goodwill as a component found within brands. Applicable legal regulations and trademarks are presented as well.

Chapter 3 introduces B2B markets and the roles of brands therein. Particular focus is placed on the role of manufacturing companies' brands for customer firms. Subsequent to this, the theoretical foundations of brand equity on B2B markets is described. The components building brand equity, including brand image, brand identity, brand awareness, brand association, brand strength, brand loyalty and figurative brand value is investigated and the interrelations between them are emphasized.

After this, the theory described is applied upon a specific B2B company, the Tetra Pak Group in Chapter 4, to provide for an empirical case study. This aims to concretize and exemplify the components of brand equity. The section includes an introduction to the company, an outline of its production chain and a description of relevant market players with which the Group interacts. The strengths of the company as well as potential threats to it are commented upon. The elements that build the company trademarks are presented followed by methods used to protect these marks. The Tetra Pak Group's customers and end consumers' brand awareness and associations are highlighted. Next, the estimated strength of the brand as a result of customer and consumer behavior is discussed. The section is concluded with a summary of the Tetra Pak employee interview results I conducted.

Chapter 5 connects elements within trademark law, specifically protection of good will and well-known marks with two components within the brand equity model, namely brand association and brand awareness. Relevant legal regulations and court cases are presented to support the argumentations.

Critical reflections on branding are posed in the analysis in Chapter 6. These include why branding is important, if it is successful, what defines a strong brand, how brands are charged with value and how components of brand equity contribute to overall value. The value of brands on B2B markets and that of the Tetra Pak brand are brought up as well as the inter-correlation between legal protection and brand equity. This is followed by concluding thoughts and suggestions in Chapter 7, answering the purpose of the thesis, to explain how and why brands are important on B2B markets and prove that the efforts and investments done by B2B companies placed into branding pay off.

2 Brands and Trademarks

“A product is something that is made in a factory, a brand is something that is bought by a customer. A product can be copied by a competitor, a brand is unique. A product can be quickly outdated, a successful brand is timeless.” (King, 1984:3)⁶

Profit-oriented businesses provide goods and services on the market. Their goal is *selling products* and gaining *surplus in revenue*. Economic effectiveness and productivity is based upon the basic economic theory of supply and demand. Sellers provide what purchasers demand. Efficient allocation of resources is reached at the equilibrium point where supply and demand are equal.⁷ Assumingly, companies aim for profit, sales and increased market shares in relation to *other* firms. Being active juridical bodies, they represent a purpose. They have identities and are in need of symbolism to portray who they are, where they come from, what they stand for and what they have to offer. A company's identity is communicated through its *brand*. When a graphically distinct mark gains legal recognition it is termed a *trademark*.

2.1 Brands

The brand is the “promise”. It portrays the overall identity of the subject matter it represents, incorporating its personality, image and value.

“Brand” is a wide concept incorporating *all* aspects of what it represents. The term originates from historical usages, when cattle owners branded their animals using hot iron stamps as a means of proving ownership to them.⁸ A brand includes the *entire* essence of its subject, involving both tangible and intangible qualities. It is a *promise* of what to expect and personifies the subject matter for which it stands. Brands are important to companies as they provide a visual identity. They serve to *identify* the firms themselves and their offerings, such as goods and services. Brands depict what a company stands for and what purpose it has. It is one of the main foundations on which *trust* towards a company is built. Brands are developed over time, with consistent quality that is expected and appreciated by actors on the marketplace. The International Trademark Association (INTA) defines a brand as “a trademark⁹ or combination of trademarks that through promotion, use and association can identify and distinguish the source of origin of a product.”¹⁰ Different types of brands include

⁶ Melin, Frans, *Varumärket som strategiskt konkurrensmedel - Om konsten att bygga upp starka varumärken*, Lund University Press, (1997), p. 38.

⁷ This is referred to as the Neo-classical ideal of markets. The economic theory of equilibrium, also called optimizing behavior, constitutes the core of the ideal. In essence, consumers are supposed to maximize their utility function while producers are assumed to maximize their profits.

⁸ Melin, p. 10.

⁹ A trademark is defined as a marketing-related intellectual property/ intangible asset including a symbol, mark, logo, design, name, word, sign, sentence or a combination of these items that companies use to identify and distinguish their product from others in the market.

¹⁰ International Trademark Association (INTA), Fact Sheets, Valuation, <http://www.inta.org/TrademarkBasics/FactSheets/Pages/BrandValuation.aspx>, 11/12/2012.

commodity brands, concept brands, umbrella brands and corporate brands. Commodity brands are associated with any article of trade whilst concept brands are associated with abstract ideas. An umbrella brand covers a number of different offerings. Included in umbrella branding are corporate brands, where company names are used as product brand names. Brands constitute part of firms' aggregate assets. The calculated business value of a firm is the difference between its tangible and intangible *assets* and *debts*. Tangible assets include production materials, factories and human resources. Intangible assets involve corporate intellectual property such as patents, trademarks, copyrights, business knowhow and methodologies, goodwill and brands. Intangible assets are not touchable and do not have *obvious* physical value like tangible equipment. Calculating the value of them is not as trivial as calculating value of objects like machinery and buildings. However, intangible assets *are* valuable.¹¹

Brands have determinate effects upon the aggregate value of firms since they possess power in creating distinctive associations, images and appeal in the minds of stakeholders, thereby generating economic values. Brands can be bought and sold as any other property of a company. They are transferable and can stretch over vast numbers of enterprises across numerous markets around the globe. Stakeholders' loyalty can thereby be transferred over time and over products and can even be separated from tangible production. Put differently, the way these individuals connect with a brand need not correlate with the way they connect with offered products represented by the brand. A company's brand is an indefinite asset, staying with the company as long as the company operates, if not transferred.

2.1.1 Function of Brands

*Brands- a tactical help or a strategic asset?*¹²

Brands primarily function as indicators of *origin* and *quality*. Brands are the promise of what to expect and represent a subject matter on the whole. Marketplaces are dynamic and involve numerous actors that are interdependent in various ways. These groups of players include legislators, companies, competitors, customers and final consumers. The brand serves a range of purposes depending on which actor on the market is under observation.

It is important to present a differentiation between some occasionally confusing terminologies that constitute the building blocks of brands, including logo, logotype, motto and slogan. "Logo" is a graphical element such as a name, symbol or trademark designed to create immediate mental recognition. It includes both words and images or symbols. "Logotype" is the words of a logo. This means that a logotype, which is a word or set of words, builds the logo, when combined with a graphic symbol. "Motto" is a phrase attached to an object to express a purpose, goal or ideal. "Slogan" is a synonym to "motto" yet can be believed to incorporate a more commercial feeling to it. In the remaining part of the discussion, I will exclusively use the word "motto". Combining a logo and a motto builds the visual imagery of a brand.

¹¹ Investopedia, Intangible Asset, <http://www.investopedia.com/terms/i/intangibleasset.asp#axzz2GEZ6IS29>, 14/11/2012.

¹² Melin, p. 89.

Legislators define and implement laws to regulate interactions between physical and juridical persons. Laws control transactions on the market such as competition, rights and liabilities. Brands function to facilitate these transactions by improving communication between market players in the course of trade. Through their individualization and identification purposes brands assist in distinguishing and recognizing the subjects they represent and provide information about them. Laws are in place to protect and maintain rights and liabilities of individuals well as provide for preventive and reparative measures. Focusing on the perspective of *companies*, brands serve the purpose of being the “outward face” to the customers and consumers. Brands incorporate what a company wishes to communicate to the public. They are carriers of information about the company itself and products offered by it, portraying facts on origin, quality, content and price, for instance. This provides for uniqueness on behalf of the company being the brand owner. An effective brand assists within competition in sales and attracting purchasers, by directly appealing to buyers’ feelings and emotions. This communication helps create loyal customers. A well-managed brand is beneficial in contributing to a company’s business success. Therefore it is a valuable resource amongst a firm’s assets in generating strength, growth and affecting market positioning.

Regarding the role of brands from the point of view of *competitors*, they can provide information as to the relationship between the customers and other competing businesses from which the competitor wishes to acquire sales. Competitors learn about customer behavior and preferences by observing the way other competing firms attract them. Furthermore, brands of one undertaking can inspire the creation of brands of other undertakings, acting as prototypes and sparking ideas for innovation in rivaling companies. Established brands can act as barriers to entry on the market. However they can induce establishment opportunities for acquiring firms through mergers and acquisitions. Identified and distinct brands that differentiate products prove beneficial against competitors. They provide *uniqueness* on the market, attract customers, make more sales and higher profits.

Brands are crucial tools for *final consumers* and *customer buyers* since they play a determinant role during these actors’ decision making processing and affect purchasing results. A consumer buys good or services for personal use. A customer firm buys products for commercial usage, perhaps to use in manufacturing situations, and often resell these products at later stages. As brands present information about products such as quality, content, function and price, consumers use brands as points of reference to compare and evaluate different products offered on the market. By appealing to the “economic man” claimed to be present in most individuals, brands assist them in deciding which product will be ‘the better deal’, thus facilitating decision making processes. In order to satisfy their individual needs, wants and preferences, people need to assess the alternatives available to them and reach conclusions based upon their evaluations. Individuals are exposed to a vast number of purchasing choices and possibilities. Brands provide for an orientation method to arrive at a conclusion, thus saving both time and money for buyers.

Brands serve as promises of what to expect and as guarantees for individuals. Buyers should be able to, through the brand, anticipate and predict characteristics of the product he is purchasing. Brands may incorporate feelings of familiarity, trust, superiority and loyalty. Consistency is fundamental as buyers freely base their purchases on satisfying needs and wants by buying goods and services they believe will fulfill these. When individuals are aware and certain of what to expect, and satisfied with the results of their expectations, they are likely to become steady buyers and loyal to the branded products. They may even expand their purchasing routine to incorporate other different products belonging under a specific brand. Brands also provide socially beneficial effects as they appeal to emotional and rational aspects in the consciences of people and have symbolic functions. They may grant a feeling of belonging to a group and even affect how a person views himself or how he wishes others to view him. Creation of an image for the individual regarding lifestyle or personality is another factor affecting purchasing decisions.¹³ A brand is a symbol of everything related to a product, and can stir feelings of preference. For customer firms involved in business relationships, brands also serve most of the above mentioned purposes of guarantee and consistency in what to expect. Brands are vital as they indicate reputations which affect business relations. Customer firms wish to conduct business with well represented companies using reputable brands. They are dependent on consumer demands which are very much affected by brands and determinant for firms' business success.

2.1.2 Goodwill

Goodwill is a subjective estimate on the reputation of a business and is an important component in a brand. The term is commonly used in accounting and economics referring to the business value of a firm. Here, it is equal to the excess cost or purchase price required to acquire a business over the fair market value of all other assets. In the field of economics, goodwill constitutes a numerical figure on companies' balance sheets.

Within the legal field, goodwill is a value-laden definition focusing on a company's prestige. Goodwill is defined as "the benefit of a business having a good reputation under its name".¹⁴ It is a positive value connotation linked to a mark, contributing to a favorable repute. Goodwill is an *immaterial asset* and consists of the intangible advantages a company has over its competitors. These advantages can include a good reputation, strategic locations and favorable business connections. Goodwill relates to thoughts, feelings and emotions when considering the status of a company and its brand. A strong level of goodwill provides for a competitive advantage. As it constitutes a significant element incorporated within a brand, it predictably leads to strengthening this brand. Goodwill can also have a negative value and is then called bad will.¹⁵

¹³ Melin, p. 25-30.

¹⁴ <http://legal-dictionary.thefreedictionary.com/goodwill>, 14/10/2012.

¹⁵ Bad will is the opposite of goodwill and is what causes a company's worth to decrease when shareholders and the investment community find out that the company has done something that is not aligned with good business practices, leading to the company gaining a less favorable reputation. Bad will can result in a decrease in revenues, loss of suppliers and clients, or decrease in market share, <http://www.e-conomic.co.uk/accountingsystem/glossary/goodwill>, Definition retrieved from website 28/11/2012.

Goodwill reflects brand value as it serves a function of *guarantee*. This function is for customers and consumers to associate a previous positive experience with quality and satisfaction of needs. “Previous experience” indicates any type of earlier connection with the brand, including actual former interaction yet also instances of recommendation and hearsay from other previous users. Through beneficial past experiences, players are made *certain* of future expectations, thereby building goodwill. It is vital to maintain *consistency* of general characteristics and not allow short-term fluctuations of quality, price etc., as this would damage customers and consumers feeling of certainty in what to expect. Goodwill is important as it can indicate and contribute to future potential sale possibilities. The higher levels of goodwill enjoyed by a brand, the more valuable it might be, since it attracts more customers and consumers through a good reputation. Brand owners seek to continuously develop goodwill for their brands and prevent others from exploiting these.¹⁶ It can take years for brands to fully manifest themselves in the public’s conscience. Goodwill linked to a brand contributes to the *overall goodwill* enjoyed by a *company*.

2.2 Legal Regulations

National, continental and global legal regulations are necessary on markets with numerous players to guarantee fair competition, stability and protection of weaker parties. Companies need efficient tools to attract potential customers and final consumers to purchase their products and thus survive on competitive markets. *Legal regulations* are in place to secure, protect and maintain these tools. Law and economics are interrelated in this aspect through the role of the law in the efficient allocation of economic resources.

2.2.1 Competition Law

Competition law maintains fair and free market competition between undertakings. It regulates anti-competitive conduct of companies and prevents unfair competition. Competition law ensures that firms operating in the free market economy do not restrict or distort competition in a way that prevents the market from functioning optimally.¹⁷ Relevant articles that apply to firms operating on the European Union (EU) market are Article 101 and Article 102 of the Treaty on the Functioning of the European Union (TFEU). Article 101 prohibits cartels. Cartels are agreements to cooperate made by associations of undertakings to modify free market mechanisms. These acts disrupt free competition and are therefore forbidden. Article 102 TFEU regulates firms’ abuses of dominant positions. Competition rules are in place in the interest of consumers and businesses engaged in economic activities. The European Commission works to prevent serious competition infringements and aim to increase the roles played by national competition authorities and national courts in implementing EU competition law.¹⁸

¹⁶ Stim, Richard, *Intellectual Property. Patents, Trademarks, and Copyrights*, (1994), West Legal Studies, p. 34.

¹⁷ Jones, Allison & Sufrin, Brenda, *EC Competition Law, Text, Cases and Materials*, (2007), Oxford University Press, p. 1.

¹⁸ Europe: Summaries of EU legislation, http://europa.eu/legislation_summaries/competition/firms/l26092_en.htm, 12/12/2012.

2.2.2 Intellectual Property Law

Competition law is intertwined with *intellectual property law*. The two areas of law have been shaped in response to rapidly changing global economic and social conditions. Increased market fluidity and speed of transactions has led to higher levels of competition and higher financial risks. There is a need for regulations to protect property owners' exclusive rights, prevent unlawful acts against these rights and provide reparation if this were to happen. *Intellectual property* refers to "products of the mind: inventions, literary and artistic works, any symbols, names, images and designs used in commerce".¹⁹ Intellectual property is intangible property meaning that one cannot physically see or touch it. Yet it is legally protectable, as any other type of physical property is. A car owner has the right to prevent others from using the car he owns without his permission. The same is true for owners of intellectual property. Intellectual property law grants exclusive ownership rights to owners of intangible assets. Creators or license-holders of these assets gain the right to prevent others from using their creations without their permission. Examples of intangible property are copyrights, patents and *trademarks*. Intellectual property rights are rights given to people over the creation of their minds. Legal regulation does not only grant rights as rewards for mental labour. Intellectual properties are important economic assets, as they provide companies with competitive advantages.²⁰ The link between competition law and intellectual property law is that legal rights protecting creations creates incentive to produce. The more produced, the higher the variety of products for customers to choose from exists. This forms a competitive marketplace.

2.2.3 Trademark Law

A mark that gains legal protection, either through registration at a trademark registration office or through establishment through use on the market, is termed a "trademark".

"The trademark is the heart of the brand"²¹ illustrates the overall difference between brands and trademarks. All trademarks are brands, yet not all brands are trademarks. "Brand" is a wide concept covering all perceptions of what it represents. A "trademark" is a graphic mark that has gained recognition through law.

Trademark law is a branch within intellectual property law. It protects *trademarks* by granting exclusive rights to lawful owners of graphic marks and preventing third parties from extracting unauthorized benefits from these. The requisites defining a trademark is firstly that it is a *distinctive* sign including figurative elements such as any device brand, label, name (including personal names), signature, word, letter, numbers, shape of goods, packaging, color or

¹⁹ World Intellectual Property Organization (WIPO), <http://www.wipo.int/about-ip/en>, 10/12/2012.

²⁰ Bentley, Lionel & Sherman, Brad, *Intellectual Property Law*, Oxford University Press, (2008), p. 24.

²¹ Melin, p. 20.

combination of colors, smell, sound, movement or any combination thereof.²² Secondly, this distinctive sign is used by individuals, business organizations or other legal entities to *indicate origin* of products for purchasers designated for a specific market. Thirdly, it is capable of *identifying* and *distinguishing* these products from those of other businesses.²³

Trademark protection is necessary for the proper functioning of trademarks as an element of fair competition. Trademark law and free competition are not in conflict with each other. Trademarks are necessary for competition to function properly to provide information about the *source, quality* and *function* of products and thereby enable customers and end consumers to repeat satisfactory purchases. Trademarks provide an incentive for businesses to maintain and improve the quality of the products offered through the mark. New actors entering the market must use *other* signs to indicate origins of their products. Availability of signs is determined by the overall number of prior rights that exist and pose obstacles for protection of new signs. Difficulties for new players entering a marketplace to find a sign which is not blocked by a prior mark and that can easily be pronounced and remembered are high. Furthermore, marks should be appropriate to distinguish a company and its products. They should create positive associations without being descriptive. The more marks that are registered and legally protectable, the harder it is for newcomers to find appropriate signs to use. Marks that are identical, or similar enough to be confused, should not coexist unless the products for which they are used are sufficiently different, preventing danger of confusion.

Increased mobility and transferability of products contributes to the need of differentiation and methods to attract and impress buyers. As purchasers become loyal to a particular company and make purchasing decisions based on their ability to identify a product using a certain graphic symbolism, these marks serve as a point of recognition, reference and distinction. Trademarks come into being as soon as they are *legally* recognized. Therefore, they can be seen more as products of the market rather than products of the mind. Trademark regulation legally prevents others from committing unlawful deeds towards a graphic mark. The protected rights generally last as long as the mark is in use. Trademark owners often place extensive research and substantial monetary investments into the marks they utilize, spending considerable amounts of time, funds and development efforts to build trademarks. Naturally, owners therefore wish to *exclusively* reap the profits of their efforts. Graphic marks must be *registered* or *established* on the market to be termed trademarks and gain legal protection. If this is not done, a non-owner may use the mark for his own profit without risking a sanction. Rights granted through trademark law offer incentive for businesses to create intellectual capital. Without protected rights, companies may be discouraged from making necessary investments to create intellectual property.

²² Phillips, Jeremy, *Trade mark Law, a practical anatomy*, Oxford University Press, (2004), section 4.04.

²³ This definition is in accordance with the trade mark definition of the WTO Agreement on Trade- Related Aspects of Intellectual Property Rights (TRIPS), http://www.wto.org/english/docs_e/legal_e/27-trips_04_e.htm, 10/12/2012.

This will have negative effects on the economic market.²⁴ Trademarks have been held to be the foundation of competition in market economy.²⁵

When companies require registration of their marks for protection, they can do this on a national level which provides protection within the borders of a particular country. There are also systems that assist in filing, registration and enforcement of trademark rights in *more than one* jurisdiction on a regional or global level, providing protection in numerous countries. However, a single trademark registration that automatically applies around the world does not exist. Legal protections often overlap due to these cross-border regulations. Legal protection is granted by trademark and patent offices through national or international registration procedures, protecting the owner in case of unlawful use of the trademark.

Necessary requirements to achieve protection through registration are that the mark must be capable of graphical representation and must be applied to goods or services for which it is registered.²⁶ When a mark is registered or established, it gains legal rights and protection from un-authorized use of it. Regulations prevent unfair advantage through exploitation of firms that possess market advantages such as higher levels of brand value and customer loyalty. Legal principles granting exclusive rights to trademark owners ultimately protect final consumers by prohibiting other parties from using trademarks that are identical or similar to those of other companies to distinguish identical or similar products. These regulations are intended to avoid consumer confusion and deception, so consumers are fully aware of products they purchase and do so in a conscious and free-willed manner.

Players on the market should not be tempted to unlawfully use or copy other player's legally protectable marks. In order to enforce the laws, deter players from committing unlawful acts and guarantee protection, *sanctions* are in place. In case of trademark violation, there exist severe provisions of penalties. The functions of sanctions are both to act as *preventive* measures to discourage actors on the market from conducting unfair market behavior and infringement. Sanctions also serve a *reparative* function. This function covers the effects of the exploitation of the mark and potential financial and goodwill damages so that the victimized firm gains compensation for harm suffered. Examples of possible sanctions include payment of financial penalties such as calculated amounts of damages and fines, as well as in some cases, imprisonment. The components of compensation can be divided up into economic damages and marketing damages. Economic damages cover financial profit reductions and encompass loss of sales and loss of profit. Within law regulating civil wrongs, it is referred to as "lucrum cessans".²⁷ Marketing damages refer to harm done to the goodwill of the company, which entails injury to image and reputation, also known as "damnum emergens".²⁸ This is a larger area of damage and is harder to determine.

²⁴ Davis, Jennifer, *Intellectual Property Law*, Oxford University Press, (2012), p. 4.

²⁵ Keeling, David T., *Intellectual property rights in EU law*, vol. 1, *Free Movement and Competition law*, Oxford University Press, (2003), p. 147.

²⁶ Phillips, section 4.04.

²⁷ Borgenhäll, Håkan, *Reparation vid varumärkesintrång*, NIR 2000/2, p. 153.

²⁸ Ugglå, Claës, *Några tankar om beräkningen av skadestånd i varumärkesmål*, NIR 1988, p. 523.

If unlawful usage *does* occur, *trademark infringement* exists. Trademark infringement is a violation of the exclusive rights of a trademark owner. Infringement occurs when an unauthorized party, the "infringer", uses a trademark which is identical or confusingly similar to a trademark owned by another party, in relation to products that are identical or similar to the products that the registration covers. Infringement of trademarks is based on whether the public mistakes one trademark for another, in other words, *confusion* exists. Trademark law is also in place to prevent *trademark dilution*. This is when a mark's uniqueness is threatened by unauthorized use of it on products that do *not* compete or have minimal association with each other. In this case, a similar mark unfavorably affects the reputation or goodwill of a distinctive trademark *regardless* of if it leads to actual consumer confusion or not, since the products represented have no connection with one another. The breach may not cause trademark confusion, yet a mark is unfairly taking advantage of another mark's reputation. Negative effects of infringement and dilution may include harm of companies' competitiveness, potentially resulting in reduced revenues since the infringer is stealing market shares and sales opportunities. Furthermore, infringement may damage a company's goodwill. There is a reductionism of value since a mark indicating origin, quality, reputation and renown of the subject it represents may be wrongfully associated with a subject that it has nothing to do with.

Legal questions that arise when analyzing trademark infringement involve identification of rights and ownership. Ensuring that the claimed owner really is the rightful owner may not be certain in all instances. Legal parameters influencing the value of trademarks should also be taken into account to establish the scope and strength of protection, usage of protection, related and similar rights, disputes, agreements, contracts and management. In other words, the extent of legal trademark protection should correlate with the estimated value of the trademark. An overall assessment should be done on how legal rights are stationed in relation to each other and to the strategic goals of the protected trademarks.

2.2.3.1 International regulations

National developments in trademark law have been immensely influenced by the developments on the international field.²⁹ Like any national law, trademark laws apply only in their applicable country or jurisdiction, known as "territoriality". The *principal of territoriality* is crucial since it is assumed that all trademarks originate from a specific country and that rights linked to the trademark are protectable within the geographical regions of that specific state. However, through the help of various intellectual property treaties, the limitations of territoriality of trademark laws have decreased. Within the international arena, the most relevant initiatives taken to protect global trademarks can be found in the Paris Convention for the Protection of Industrial Property from 1883. The World Intellectual Property Organization (WIPO) is responsible for administering the Paris Convention. Important work is additionally done within the World Trade Organization (WTO) that administers the TRIPS agreement

²⁹ WIPO, *Introduction to intellectual property: theory and practice*, (1997), p. 23.

from 1994. TRIPS stands for “Trade-related aspects of intellectual property rights” and considers equal treatment principles, protection, sanctions and infringement regulations.³⁰ The equal treatment principles are minimal protection standards in place to ensure a certain level of equal protection for *all* market players. TRIPS establishes legal compatibility between member jurisdictions by requiring the *harmonization* of applicable laws. For instance, Article 15(1) of TRIPS provides a definition for “sign” which forms part of the definition of “trademark” in trademark legislation of many jurisdictions around the world. This Article reads:

Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.

The Madrid system is a major international system for facilitating the *registration of trademarks* in multiple jurisdictions. This system secures trademark registrations in member jurisdictions by extending protection of an “international registration” obtained through WIPO. This international registration is in turn based upon an application or registration obtained by a trademark applicant in its home jurisdiction. An advantage of the Madrid system is that it allows a trademark owner to obtain trademark protection in many jurisdictions by filing one application in one jurisdiction with one set of fees. However, as stated, a single trademark registration that applies in *all* countries does not exist.

2.2.3.2 European Union

Trademarks are protected under European Union (EU) law³¹. EU trademark law partly consists of the Community Trademark system (CTM system), which administers registration of trademarks with OHIM and is effective throughout the entire EU, and of harmonized national trademark systems. Firstly should be mentioned the Community Trademark Regulation (CTMR) (EC No 207/2009). It does not replace national trademark registration systems, instead the CTM system and the national systems operate parallel. Within EU member states, national law implements European Directives so that the law in each jurisdiction is more or less equivalent, the goal being harmonization of law within the EU. The EU Trademark Directive (2008/95/EC) of the European Parliament and of the Council³² harmonizes EU member states’ national trademark laws to promote

³⁰ Maunsbach, Ulf & Wennersten, Ulrika, *Grundläggande immaterialrätt*, Gleerups utbildning AB, (2009), p. 21.

³¹ For clarification: an EU regulation is a legislative act that becomes immediately enforceable as law in all member states simultaneously. In contrast, directives need to be transposed into national law.

³² First Council Directive 89/104/EEC of Dec. 21, 1988, to approximate the laws of the member states relating to trademarks [O.J. 1989 L 40, p. 1], amended by the Agreement on the European Economic Area of May 2, 1992 [O.J. 1994 L 1, p. 3], now replaced by Directive 2008/95/EC of

free movement of goods and services and fair competition within the EU.³³ In Sweden, protection and regulation of trademarks is found in the Trademark Act (2010:1877), in Swedish called “Varumärkeslag (2010:1877)”. This Act grants coverage of trademark registration and protection within Sweden as well as applying harmonized EU regulation.

the European Parliament and of the Council of Oct. 22, 2008 [O.J. 2008 L299, p. 25]. (‘the Directive’ or ‘The Trademarks Directive’ or TMD).

³³ OHIM regulations,
<http://oami.europa.eu/ows/rw/pages/CTM/legalReferences/regulations.en.do>, 18/12/2012.

3 Brand Equity on B2B markets

Business to consumer markets, henceforth termed B2C markets, entail situations where companies and consumers are *immediately* involved in business transactions with each other. Sellers engage in *direct* sales with final consumers. A retailer may act as a “middleman” in these situations by purchasing products from manufacturers and then making these accessible to final consumers. This can be done through making products available in stores for final consumers to purchase for personal consumption. Business is seldom a simple process and there often exist multitudes points of sale, purchase, resale and so forth, involving numerous suppliers, manufacturers, distributors, retailers and consumers. The relevant point of reflection is to consider the role *brands* play throughout these instances. Brands play a determinant role in buyers’ choices of purchase since they identify characteristics linked to quality, origin and function of the product.

The following presentation investigates the roles of branding within *business to business markets* (B2B). Despite subtle differences much B2C theory is applicable. Doctrine within branding generally focuses on end consumer based brand equity and the importance of branding in B2C markets due to the evident psychological effects that brands have on consumers purchasing for personal consumption. B2B markets involve transactions between supplier, manufacturing and distribution firms. The role of brands for B2B firms should be emphasized further as they do play a determinate role in business transactions. Brand value is important in industrial goods markets. Defining what the brand signifies to B2B customers is fundamental so that businesses can build upon their brands in rewarding ways and allocate their marketing funds on effective branding.

3.1 Characteristics of B2B markets

The business to business market constitutes a large percentage of the global economy. As suggested by the phrasing “B2B”, transactions take place between juridical bodies such as companies, business undertakings and other types of organizations. B2B transactions involve higher volumes than B2C transactions since they incorporate sub components and raw materials. This is because most B2B products are purchased by companies to be used in their own manufacturing, producing goods and services to be resold. B2C transactions often specifically involve one sale of the finished product to the end customer.

In B2B markets there are generally few yet large purchasers. The demand for business goods is ultimately derived from end consumer demand. On B2B markets purchases are conducted for the commercial benefits of firms and not for personal use. Business decisions are often complex and involve high uncertainties. Stakes are high and huge funds and monetary values are at risk. The actual act of purchasing is done on professional levels by trained purchasing agents. These actors are obliged to follow their organizations’ purchasing policies. Purchasers on behalf of customer firms are ultimately buying solutions to satisfy the organization’s needs, engaging in these acts as a means of their *employment*. As more people are involved in the decision making process and

technical details have to be discussed extensively, B2B transactions are usually time consuming and complicated. B2B decisions are characterized by risk as they impact the financial performance of a firm and potentially the career prospects of the decision makers involved.

The organizations themselves do not engage in actual purchases. A company does not have a mind of its own and is not capable of making active choices. Instead, it is the employees, who are physical people, acting on behalf of the organization, that are making the purchasing decisions. These physical people act either in a group or individually. They are the final decisions makers in purchasing decisions on behalf of their organization, which is the customer firm in the business relationship. Therefore, emotional aspects *do* in fact play a role in B2B transactions and can be linked to the usages of brands. A B2B purchaser will have different perceptions when approaching a sales situation. It is important to consider what the customer firm is looking to purchase to satisfy the needs of his superior, how he aims to go about satisfying the need, factors he will consider when undergoing purchases and other determinant issues. Does the purchaser mainly prioritize the quality, price, origin, reputation, function and so forth? Which of these aspects are the most determinant driving forces behind the purchase?

3.2 Role of brands on B2B markets

In previous studies of the roles of brands on B2B markets, it was assumed that purchases are exclusively based on real figurative values and have no connections to emotional, abstract or symbolic values. Brand equity and valuation of brands on B2B markets is a relatively undeveloped subject area. Research within this field is ambiguous and unclear, due to the opinion that brands have no or limited importance on the B2B market. This view is based on the fact that B2B relations involve strictly professional players acting on behalf of juridical entities. This is in contrast to the situation on B2C markets, where it has been shown that 75 percent of purchases are made on personal initiatives, and therefore based upon emotions and psychological aspects.³⁴ Since B2B transactions take place between organizations and juridical actors for business purposes it has *wrongfully* been concluded that brands play an insignificant role. Yet the power of brand names is not exclusive in B2C markets and the following section explains why.

Brands are useful resources as they provide valuable reassurance and clarity to business customers. B2B corporate branding involves creating strategies for behavior, communication and symbolism to achieve a positive image and reputation between a company and its customer firms. Creating goodwill with business customers can lead to greater selling opportunities and potentially more profitable relationships. A strong B2B brand can thus provide a significant competitive advantage. Brands assist in simplifying corporate decision making, setting expectations and reducing risk.

³⁴ Wright, Ray, *Business to business Marketing: A Step-by-Step Guide*, Pearson Education, (2004), Chapter 5, p. 242.

Appealing to emotion is relevant in a B2B relationship because it psychologically affects the physical individuals acting on behalf of the customer firms' decisions. These emotions can be divided into outward and inward oriented feelings. An example of an outward oriented effect is social approval amongst the employees in a firm. A successful business decision based on the influence of a brand may result in the customer firms' employees gaining positive feelings or satisfaction about the reactions of others to themselves. These "others" may include other employees, managers or third parties. The benefits of social approval affect employees' professional lives, purchasing behavior and contribute with influences upon the company's ultimate business decisions. Inward oriented feelings relate to the decisions maker's feelings of personal recognition, self-image and self-respect as an employee within the acting firm. This indicates how individuals deciding on behalf of the firm feel towards themselves when engaging in a business purchase and incorporates how competent they feel within their employment. The feeling of security is additionally important as brands provide employed individuals acting on behalf of customer firms a sense of reassurance, safety, comfort and risk reduction. This is derived from the *familiarity* that brands provide while being recognized on the market. Thus, it can be stated that brands affect choice behavior of professional physical individuals representing customer firms and influences how they relate to the company itself.³⁵ Employees are unlikely to settle business agreements with companies whose brands indicate a poor reputation, as this will lead to negative consequences for the firm in which they work and possible negative effects to their career prospects.

3.2.1 Role of manufacturing brands for customer firms

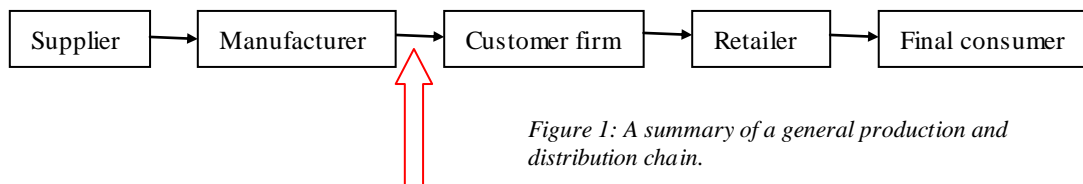


Figure 1: A summary of a general production and distribution chain.

A specific type of B2B relationship is the one between a manufacturing firm and a customer firm. The manufacturing company produces and creates products and services demanded by the customer firm. Purchasing firms are determinant to the overall business success of a manufacturing company and marketing of a manufacturer company's brand. Within the assumed chain of distribution, manufacturers sell to customer firms, who distribute to retailers, who resell to final consumers. The customer firms may be purchasing products from different competing manufacturing firms and distributing these to a variety of retailers.

Customer firms are profit-oriented wanting to sell products and make profit. Assuming that the customer firm is a food processing company that buys produce from a manufacturer, this firm will buy the raw food materials at a certain given price, process it and thereby add value to it. The firm will then resell the product to a higher price than what they bought it for, thus making a

³⁵ Glynn, Mark S. & Woodside, Arch G., *Business to business Brand Management: Theory, Research and executive cases*, Emerald Group Publishing, (2009), p. 11.

profit. This profit calculation naturally also considers the value-adding cost of processing the raw material and other costs. The role of retailers, to whom the customer firm resells, is to distribute products so that these become accessible to final purchasers. They do this for instance by placing the products on visual display in a store so they are made available to potential buyers.

The value of brands becomes important within these transaction processes. It is vital that the value is maintained throughout every step, so that the next active player in the chain will have an incentive to conduct a purchase. If bad will becomes linked to a brand and purchasers on *any* level of the production and distribution chain actively choose not to buy products related to that specific brand, this will lead to further devastating results for the brand. All steps of the chain are linked to each other. If final consumers avoid goods linked to a brand for any reason, retailers will be unsuccessful in selling these goods and will not make a profit in providing them in a store. This will defer them from continuing to purchase the goods from distributor firms who will in turn cease business transactions with the manufacturing firm from where the branded products originate. No profits will be made on any level on the chain of production and instead actors will turn to competing firms' offerings. This will lead to damage to the manufacturing firm's business. Goodwill and reputations of the manufacturing firm's brand is a crucial asset building brand value. B2B firms must collaborate to maintain brand values.

Even though manufacturers are well aware that brands are strategic market assets, there is little knowledge of the *actual* values of brands within inter-organizational relationships. The aspects of brand value within manufacturer-customer relationships are important, as the role of the customers and subsequent retailers is to efficiently distribute manufacturers' products to end consumers. The role of brands for retailers is to obtain greater value through large brand ranges with wide diversity, attractive and efficient store formats, competitive pricing between different brands and offering their own private brands. Retailers often deal with numerous competing manufacturers and distributors and thus brands are useful in distinguishing between them. Retailer purchases entail the following characteristics. Retailers purchase a brand and competitive brands. The purchase is for immediate resale, so not for personal consumption. Retailers aim to build their own brands to compete with manufacturer branded products yet in order to create a positive image for final consumers and attract them, retailers also need to sell products from well-known brands.

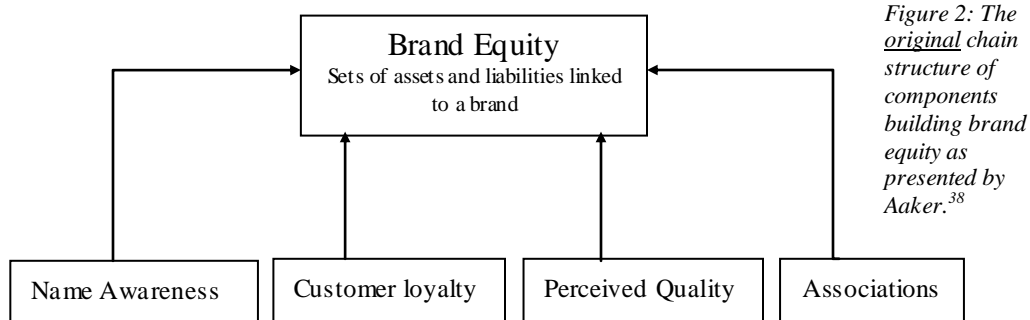
In order to meet end-consumer objectives, manufacturers need to ensure that brands are of value to the retailers and stakeholders. The value of manufacturers' brands for retailers within a B2B relational context is that brands constitute intangible resources and market based assets which provide strategic marketing value. The value of brands to the end consumer is a joint result of manufacturer and retailer decision making. Within channels of distribution, value chains are important as manufacturers and their customers aim to optimize value and achieve efficiency. Measurement models have been developed to understand the value of brands to retailers. This can assist in understanding brands beyond what is depicted in consumer brand relationships. The benefits of manufacturers' brands to customers and how these benefits influence B2B relationships are

important to highlight. These benefits include financial benefits as well as advertising and merchandising support.

3.3 The Brand Equity Model

Brand equity is the combined *overall value* of a brand. It incorporates *all* aspects that bring worth to a brand. A brand includes the name, logo, image and perceptions that identify a product, service or provider in the minds of individuals. It is formed through advertising, packaging and other marketing communications. Over time, a brand encompasses a promise about the goods it identifies. This promise may be about quality, performance, or other dimensions of value, which can influence customers' and consumers' choices amongst competing products. When trust for a brand is established, purchasers are more inclined to select the offerings associated with that brand over those of competitors, even at a premium price. When a brand's promise extends beyond a particular product, its owner may introduce it to new markets. For these reasons, brands are valuable.³⁶ The aspects building brand equity include how well-known the brand is considered to be, its reputation and estimated goodwill, levels of recognition and awareness of the brand as well as third parties perception of the quality as suggested by the brand. Despite being complex and subjective, brand equity provides a powerful competitive advantage.

Brand equity is relatively recent area of research. The concept grew in the 1980's and was originally recognized and developed on B2C markets. During these initial stages, brand equity was defined as a set of assets and liabilities linked to a mark, its name and symbol. The assets and liabilities included name awareness, customer loyalty, perceived quality and associations. All these affect and contribute to the overall value of the brand.³⁷



There are different methods in place to measure brand equity yet no universally accepted standard as of yet to do this. One method is to place emphasis on the company and calculate the value of a brand as an intangible asset. The second method is to place focus on the role of brand in relation to the product it represents by comparing the price of an unbranded product to an "equivalent" branded product. The difference in price, assuming all things equal, is due to the

³⁶ Farris, Paul W., Bendle, Neil T., Pfeifer, Phillip E., Reibstein, David J., *Marketing Metrics: The Definitive Guide to Measuring Marketing Performance*, Pearson Education Inc., (2010), p. 136.

³⁷ Aaker, David A., *Managing Brand Equity*, The Free Press, (1991), p. 4.

³⁸ Aaker, David A., *Building Strong Brands*, The Free Press, (1996), p. 9.

brand.³⁹ The third method, which will be of focus in the following, regards the perspective of purchasing individuals. This approach focuses on the customers' and consumers' mindsets to establish brand associations they possess. The method measures individuals' awareness, recall and recognition. It also measures brand image which is the overall associations that the brand has. Free association tests and projective techniques are commonly used to uncover the tangible and intangible attributes, attitudes, and intentions about a brand.⁴⁰ Brands with high levels of awareness and strong, favorable and unique associations are high equity brands. Understanding how mental associations determine customer behaviors and influence their willingness to buy and pay for different brands is of great interest to companies.

I have chosen to approach the theory of brand equity by using the model presented figure 3 below. I believe this theory is the most relevant when regarding individual people's perceptions as it logically explains how components of brand perceptions interlink and form overall brand equity. The model reasonably commences with brand image which in turn builds upon brand awareness and brand association. The model continues with brand strength, which is a result of loyalty expressed to the brand. Monetary brand value is consequently derived from the two previous aspects of brands, since brand image affects customers' *thoughts* and *feelings* of the brand, in turn affecting their *actions* towards the brand which signifies their levels of loyalty. This affects their purchasing behavior which is derived through sales figures.

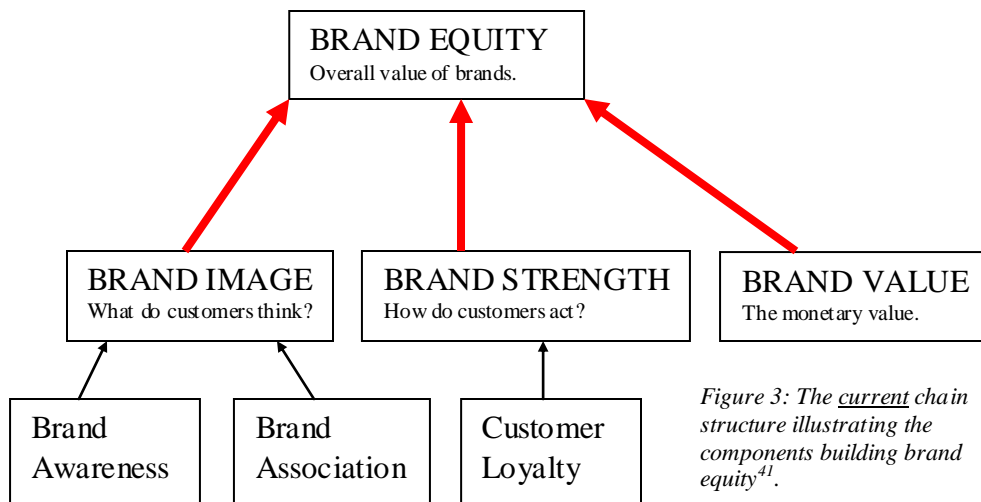


Figure 3: The current chain structure illustrating the components building brand equity⁴¹.

Considering the perspective that shall be taken upon the research question at hand, the reader should keep in mind that it is *customer awareness* of a well-known mark that is of outmost interest in the discussion. It is fundamental for the reader to understand the distinction between brand value and brand equity, as the terms have occasionally been known to lack distinction in literature and other

³⁹ Aaker, David A., *Measuring Brand Equity Across Products and Markets*, California Management Review, (1996), p.102-120.

⁴⁰ Keller, Kevin Lane, *Conceptualizing, Measuring, and Managing Customer-Based Brand Equity*, Journal of Marketing, (1993), p. 1-22.

⁴¹ Feldwick, Paul, *What is brand equity anyway, and how do you measure it?*, Journal of Market research Society, Vol. 38, No.2, NTC Publications Ltd., (1996), p. 38, 85-104.

sources. Brand value is a numerical, *quantitative* measurement, referring to the financial asset that the company records on its balance sheet.

Brand equity is more difficult to measure, as it concerns a *qualitative* measure of a brand's worth and relies on customers' beliefs, thoughts and actions towards a brand. It highlights why customers like and prefer specific brands, feel attached to them, purchase them and pay price premiums for certain "special" ones. Brand equity reflects purchasing individuals' priorities, preferences, levels of satisfaction and reasons to buy. Companies do not always know whether a customer makes a purchase because he recognizes the company's brand or whether the customer uses other criteria, such as price, convenience, expectation of quality or other factors to make his decision. Brand equity indicates how these factors generate economic value for brand-owning firms.

3.3.1 Brand Image

The power of a brand lies in the mind of customers.

Brand image is defined as being specific information linked to the brand in customer memory. It can be derived from most doctrine that the value of brands originate in the *minds* of the customers and thus it can be argued that brand image initially constitutes the foundations to create valuable brands.

It is important to differentiate between the concepts of *brand image* and *brand identity*.⁴² *Brand image* is the customer's actual perception of a brand and reflects how the brand is perceived externally through the public eye. It is the customer's mental picture of a brand, often in relation to their image of competitors. Brand image is a symbolic construct created within the minds of people, consisting of all the information and expectations associated with the product and company providing the product. In some instances, the brand image is of such importance that it completely dominates the customer choice of purchase. Put differently, the customer 'buys the brand' instead of the product itself.⁴³ It should be noted that brand image concentrates on what customers think and feel but not on their behavior.

Brand identity reflects how the brand owner *wishes* customers to perceive the brand. It aims to influence the outward public perception and is achieved through internal efforts. Brand identity is the brand owner's goal of what to communicate to potential customers. It should aim to focus on authentic qualities of the products and represent real characteristics of the brand promise. The brand owner seeks to connect brand image and brand identity so the aspired position of the brand correlates with its current state.

An example to clarify the difference between brand image and brand identity can be done by considering a physical person. "Personal image" and "personal identity"⁴⁴ are two phrases that can be applied to an individual to explain how he views himself, how others view him and who he really is. Personal image is how a person is viewed by other individuals in his surroundings judging from his

⁴² Farris, Bendle, Pfeifer, Reibstein, p. 141.

⁴³ This is most commonly the case on B2C markets. Yet it can occur on B2B markets as well.

⁴⁴ Substitutes for brand image and brand identity.

attitude towards them, way of speaking and so on. Personal identity is who this individual really is. His identity entails his thoughts, values and personality. Who is he and how he chooses to portray himself to the public is the difference between his image and his identity. The way the public *actually* views him and the way he *wants* them to view him also differ. This exemplification can be applied upon public perceptions of brands as both are based upon psychological approaches.

3.3.1.1 Brand Awareness

It usually is wasteful to attempt to communicate brand attributes until a name is established with which to associate the attributes.

The quote illustrates the importance of brand awareness and association. A brand must first be established in the minds of individuals, in order to later be able to portray its qualities and purpose. Brand awareness concerns how well customers recognize, identify and remember a brand. The different levels can be divided up into recognition (having been exposed to the brand before), recall (being able to name some of the brands on the relevant market), 'top of mind' (the first brand thought of) and dominant (the only brand remembered).⁴⁵ Brand knowledge and brand opinion should also be mentioned, signifying the customers' knowing what the brand stands for and having an opinionated thought about it, respectively.

As a sustainable competitive position on the market is the assumed aim of firms, differentiation between products is required. It is vital for customers to be able to distinguish between brands on both a recognition and recall dimension and a familiarity dimension. It can be argued that the initial step on the awareness scale, recognition, constitutes the foundation for the entire development process of a brand. If a brand is recognized by customers that have been exposed to it on a previous occasion, they will gain awareness of it and consequently be able to recall it. The recognition and perception of a brand is highly influenced by its *visual* presentation. A brand's visual identity is its overall look. Effective visual brand identity is created by consistent use of specific elements to achieve distinction. Using particular colors, text styles and graphic elements contribute to creating a visual brand identity.⁴⁶

The competitive advantages resulting from customer's awareness of brands are vast. Familiarity is a benefit as customers are most likely to decide to purchase products that they have experience with and have a certain degree of connection with. This is a psychological effect, giving customers a feeling of safety and reduction of risk-taking. On B2B markets with organizational buying behavior, buyers tend to prefer well-known reputable suppliers and producers.⁴⁷ Brand awareness additionally provides as a signal of presence, commitment and substance. This is according to the line of reasoning that there must be positive motivations as to why a product's name is recognized.

⁴⁵ Aaker, *Building strong brands*, (1996), p. 10.

⁴⁶ Ibid. p. 86.

⁴⁷ Persson, Niklas, *Tracing the drivers of B2B brand strength and value*, Lund Business Press, (2009), p. 50.

The prominence and dominance of a brand when linked to the advertisement of a product, where the brand is the *only* one recalled when a product class is mentioned furthermore indicates customer awareness. Studies show that brand awareness can be durable and sustainable, lasting long even after the brand went out of use.⁴⁸ On B2C markets, large companies often spend huge amounts of money on advertising to create brand awareness. Buyers come to know a brand through a wide range of additional contacts like personal experiences, hearsay and rumor, mass media, company websites and social media.⁴⁹ On B2B markets, brand awareness through previous use and reputation are the more determinant forces. Long-term strategies like consistent quality and progressive innovation are fundamental contributions.

3.3.1.2 Brand Association

Brand association is customer reflection on a brand based upon any previous experiences linked to it. It is how purchasing individuals think back upon a brand and factors they connect with it in their minds. Association entails the *perceived quality* and *expectations* that customers have on the components within a company. Perceived quality is defined as customer perception of overall quality or superiority of a company's products, services, distribution methods and the company itself in relation to their intended purposes. It is not the same as the actual quality such as the type of ingredients or materials used, manufacturing quality and so on. Quality refers to customer *perceived* quality over physical quality.⁵⁰ It is based on the judgment of customers and what is personally important to them through their overall feelings about a brand. Expectations on reliability and performance of elements linked to the brand are examples of associations that customers may have. Perceived quality is a customer's opinion of a brand's ability to fulfill their expectations. It can also be based on the brand's current public reputation and their experience with *other* offerings of the company as well as the influence of opinion leaders and surroundings.⁵¹

Maintaining brand association is done by highlighting the core brand identity which contains the associations that are most likely to remain constant even if the brand travels to new markets and covers other products.

To gain a more extensive understanding of brand association it can be divided up into four sub-groups, as to how customers perceive a specific brand.⁵² These groups include product association, service association, distribution association and company association.

⁴⁸ Aaker, (1991), p. 70.

⁴⁹ Building and managing strong product brands, <http://lasanthaw.hubpages.com/hub/Building-and-managing-strong-product-Brands>, 13/12/2012.

⁵⁰ Aaker, (1991), p. 109.

⁵¹ Definition of perceived quality: <http://www.businessdictionary.com/definition/perceived-quality.html>, 11/11/2012.

⁵² Note of clarification: When brand equity first became a topic of discussion within brand building and management, it was defined as set of assets constituting the value of brands. These assets were: awareness, loyalty, perceived quality and association. However, in my opinion and in more modern research, this division seems somewhat outdated. Thus, I choose to go about the presentation of these terms and depicting the interrelation between them in a slightly different order.

Product association brings value to a brand as it gives customers a *reason* to buy products. Customer's evaluations of products are subjective. Their level of product association gives them an idea of what to expect in the product. This helps differentiate the product from substitutes. *Service association* concerns how purchasers experience interaction with the company. This can be in the form of gaining information, availability of employees and on the whole feeling satisfied with communication with and treatment from the company. *Distribution association* considers the level of customer contentment of for instance the company's promptness of delivery of products or services or transportation methods. *Company associations* encompass aspects of the company as a whole, such as reliability, reputation and innovation. It relates to the *overall* business reputation that a firm has on the marketplace. Corporate credibility such as expertise, trustworthiness and likability affect the company's reputation. These associations all contribute to customer's overall brand association.

Brand association theory is relevant on B2B markets since professional buyers base decisions on connections they have with a brand. In order to make well-based professional and profitable business decisions the acting individuals should have relevant associations with the brand. In order to maintain positive and correct brand associations companies should be *consistent* over time. Excessive changes to the subgroups building brand association and how these are communicated will lead to customer insecurity as they will not be uncertain of what to expect. The customers should be able to predict characteristics and quality as identified by the brand.

3.3.2 Brand Strength

How do customers behave?

Brand strength is customers' reactions, evaluations and responses towards a brand. The concept deals with how customers behave or intend to behave. It builds upon brand image and how customers think of a brand. Instead of focusing on perceptions in the minds of customers, brand strength goes further and includes how customers *act* upon these perceptions. The way customers think about a brand affects the way they act towards it. The intention of customers and their willingness to purchase and recommend indicates brand strength. Their attitudes towards the brand such as their satisfaction of it can also be used. A differentiation between brand image and brand strength is that brand image deals with associations related to specific parts of the brand⁵³ whereas brand strength reflects a global all-inclusive evaluation of the brand as a whole.⁵⁴

Customer-perceived brand strength in B2B brand equity research focuses on purchase intention and brand recommendation. Brand strength is divided up into affective and conative brand strength. The difference is that the former is based on pure mental evaluation and the latter is based on intention.

Customer loyalty indicates brand strength, as it highlights the *attachment* of a customer to a brand. Loyal customers buy more, for a longer time period and are

⁵³ Areas discussed previously including product, service, distribution and company association.

⁵⁴ Persson, p. 62-63.

likely to promote it to other buyers.⁵⁵ Customers showing loyalty to a brand is a valuable asset for the business. Assumably, customers actively and independently choose if they wish to switch to competitor brands. Brand loyalty, or resistance of switching, is based on habit or lack of motivation to change brands. It is also based on preference, that the customer genuinely enjoys the product and prefers it over substitutes. It can further be based on use experience over a long time. Switching costs is another factor that can affect the customer's reluctance to change. An existing base of loyal customers provides enormous sustainable competitive advantages. These loyal customers should be acknowledged, appreciated, maintained and preserved, in order to keep them and so that they may be a source of influence to other potential customers. Market costs in keeping existing customers are generally lower than attracting new ones as they are familiar with the company. Familiarity grants feelings of safety, comfort and reassurance. Keeping loyal customers satisfied and reducing their motivation to change is less expensive than reaching new customers and persuading them to test their brand. The higher the loyalty, the easier it is to keep the customer satisfied. Loyalty of existing customers furthermore creates market entry barriers to competitors.

Brand loyalty is created through initial association. Interest and attention is sparked leading to recognition.⁵⁶ "Brand loyalty is the biased, behavioral response expressed over time, by some decision-making unit, with respect to one or more alternative of a set of such brands and is a function of psychological processes."⁵⁷ Loyalty can be divided into different levels to estimate the amount possessed by buyers. The hierarchy of levels reflects the purchasers' bond and commitment to the brand. The stronger the bond, the prouder the buyer is to show the connection he has and the more likely he is to actively choose to conduct purchases of that particular brand. In contrast, a non-loyal customer will not prioritize the brand and the brand will have a minor influence in the decision making process of this buyer.

3.3.3 Brand Value

Brand value is a monetary measurement referring to the *financial value* of a company brand. It is a purely economic concept. There are multitudes of measurement instruments available to calculate monetary brand value. The values derived are depicted as numerical values in balance sheets and are tangible calculated figures. Ways to calculate these figures are that the company can measure of price premiums. Researching buyers by considering the impact of brands upon customer evaluation through measuring preference, attitude or intent to purchase assist in calculating estimated brand value.⁵⁸ Measuring the cost of establishing a comparable name and business compared to the already existing brand is can be done. Consultant companies can compare the sales of the brand to the nearest generic substitute. Companies could also question other companies what price they would be willing to pay to purchase the brand. The firm can add up the costs of hiring marketers, consultants and advertising experts to develop a

⁵⁵ Goodwright, Ellen, *The True Meaning of Loyalty and Customer Service*, <http://www.customerservicebasics.com/customer-loyalty-definition.htm>, 13/12/2012.

⁵⁶ Melin, p. 125.

⁵⁷ Ibid. p. 46.

⁵⁸ Aaker, (1991), p. 24.

brand it already owns. They can estimate the cost for the company to create a new brand. Another perspective is to use stock prices as the stock market adjusts the price of a firm to reflect future prospects of its brands. These techniques to measure brand value are limited as they are estimations. An example of a set of guidelines used place value upon brands is the ISO 10668 on monetary brand valuation.⁵⁹ This standard provides principles which can be adopted when firms value any brand.

Brand valuation is beneficial to determine the strengths and weakness of a brand and to effectively allocate resources to influence the value of it. The benefits can be divided up into tangible benefits and intangible benefits. Tangible advantages include help in capitalization, present a clearer view of the goodwill acquired by the brand, facilitate quicker transfer of capital during dissolution and provide useful information during acquisitions and mergers. Amongst intangible benefits, brand valuation gives a picture of overall public loyalty. Due to the large monetary quantities invested in the establishment of brands, companies are interested in calculating value on them. They wish to learn if their efforts in brand building have resulted increased revenues. Additional reasons to calculate brand value are to avoid company takeovers by creating the *image* of being strong, by placing a figurative value on the brand to create an impression to third parties on how much it is worth. A monetary value of the brand is also beneficial to provide a basis of value to assume in case of selling licenses. Furthermore, calculating brand value can contribute to measuring the overall value of a company and calculating claimable damages in case of infringement.

⁵⁹ ISO 10668 International Standard: Brand valuation- Requirements for monetary brand valuation,
[33](https://docs.google.com/viewer?a=v&q=cache:GCgluJAKAxoJ:www.rna.org.co/portal/images/docs-normalizacion/ISO_10668_2010(E)-Character_PDF_document%5B1%5D.pdf+iso+10668&hl=en&gl=tr&pid=bl&srcid=ADGEESH1fjL0cVTcJ-LaNts-GjUGJRbDLdW BwE-XnF__u8deX_aQ0t5OuV2J28AW5pZ53_UeO9uJyPu x88C801xZfYgSDsbtwfSgOOV--VI6ppD1S_LcvK9J-ZGGFvo91lfh0Qupg4pq&sig=AHIEtbSaW7PPbTp1_qJmYjwFUZGizA myuQ, 25/10/2012.</p></div><div data-bbox=)

4 Application of Theory on Case

In the following section, the theory outlined above is applied upon a specific B2B multinational firm, The Tetra Pak Group, to provide for an empirical case study of the subject. The line of approach to highlight Tetra Pak brand equity will be to follow the model presented above. As suggested, all components and sub-components building brand equity are interdependent upon each other. The foundation of the theory is *customer firms' brand awareness and association*.

To summarize the main theoretical line of thought, the *overall value* of a brand is most accurately derived from investigating brand equity. Brand equity is in turn built upon a combination of brand perceptions. These include brand image, brand strength and brand value. These factors are interconnected and determinant upon each other. The essay shines light upon specific features that build *brand image* which in turn, assumingly, builds *brand strength*. This is done through customer brand awareness, derived from recognition, leading to brand association. Brand association is in turn determined by customer perceived quality and expectations brought to them through the brand promise.

Applying this theory to the case study, Tetra Pak customer behavior is influenced by their mental awareness and association with the company. The ways in which the Tetra Pak Group creates, establishes and preserves its customer's awareness and association will constitute the main area of focus in the following presentation. The *purpose* is to prove that investments placed into these areas *do* pay off and are worthwhile to prioritize as they contribute to creating a valuable brand.

The *method* to address the question is as follows. A presentation the company itself, the chain of production and the involved players on the market with which the Tetra Pak Group interacts initiates the discussion. This is followed by a brief discussion of the current strength of the company as well as competition and threats. Subsequent to this a depiction of the company brand and trademarks and methods used to protect these is presented. Afterwards, focus is placed on the company's B2B customers and the methods on how the Tetra Pak Group strengthens its brand through customer brand awareness and association.

4.1 The Tetra Pak Group

4.1.1 Introduction

The Tetra Pak Group is a multinational packaging and processing solutions company originating from Lund, Sweden. The company was ground breaking in its time and initiated revolutionary and innovative liquid food packaging methods. The Tetra Pak Group is a significant player on the global market within the field of aseptic packaging and has to date been established for 60 years. As of March 2012, the number of packaging machines in operation amount to 8,688. The number of liters of products sold in Tetra Pak packages in 2011 was 75,686 million and the number of actual packages sold the same year was 167,002

million. Tetra Pak's net sales in 2011 amounted to 10,360 million euro.⁶⁰ Operating in over 170 markets, the Tetra Pak Group offers a wide variety of goods and services. These include *packaging solutions* for products like dairy and juice beverages, cheese, ice-cream and soup. The company additionally offers compatible *services* to satisfy means of packaging. The Group provides filling and packaging machines, integrated processing solutions and distribution lines for fluid food manufacturing.⁶¹ The Tetra Pak Group develops, manufactures, markets and sells these complete systems for the processing, treatment, packaging and distribution of fluid food. The company also offers IT services.⁶²

4.1.2 Tetra Pak Group Production Chain

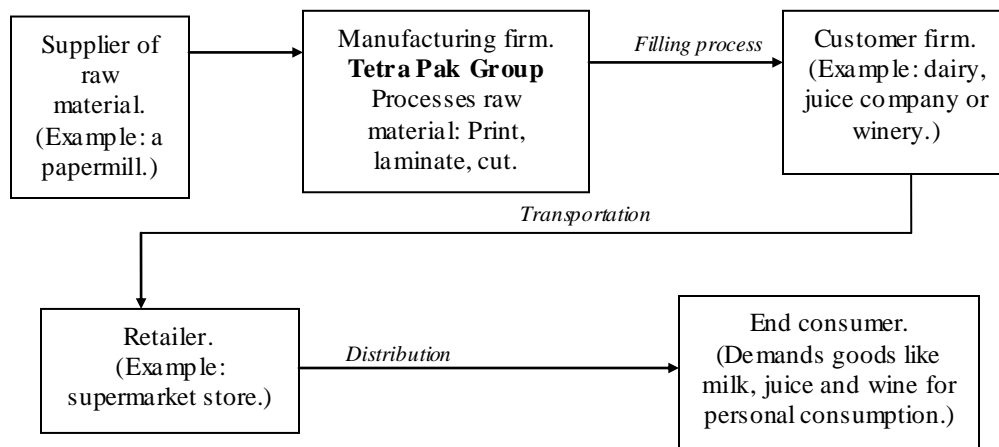


Figure 4: Outline of the Tetra Pak production chain.

The Tetra Pak Group engages in B2B sales. It is a manufacturing company selling its products and services to customer firms, most commonly including dairies and juice companies. These firms resell packaged products to retailers, such as supermarket chains, which finally provide the products to end consumers. As the company is able to provide integrated processing, packaging and distribution solutions for fluid food manufacturing, customer firms can gain the advantage getting all solutions from a single source.

The first step in the chain of production is the raw materials. The main ingredient in Tetra Pak packages is paperboard. It is a *renewable* raw material made from wood. Supplier firms like paper mills provide these materials. The second step involves converting at a processing plant, where raw materials are turned into packaging material. The converting process involves printing, laminating and cutting the paperboard into finished packages as well as adding polyethylene

⁶⁰ http://www.tetrapak.com/about_tetra_pak/the_company/facts_and_figures/Pages/default.aspx, 12/10/2012.

⁶¹ http://www.tetrapak.com/about_tetra_pak/pages/default.aspx, 23/10/12. The company also provides cap applicators, conveyors, crate and tray packers, film wrappers, line controllers, roll containers, straw applicators and carton paper. Various separators, homogenizers and heat exchangers constitute the key components of the processing equipment.

⁶² IT services include product designing, plant control and supervision systems, computer-aided logistic studies, training courses, repair and maintenance of machinery and equipment and assistance to final product distribution.

plastic and aluminum foil to protect products from light, oxygen, flavors and other external effects.⁶³ The third step is the filling process, where specific products are put into packages. These procedures typically occur at the Tetra Pak customers' factories where appropriate facilities are available to complete the tasks. The procedures can also take place in the Tetra Pak Group's own factories. Lastly, products are transported and distributed to retailer and reseller companies such as supermarkets. Here end consumers can reach them and purchase them for final consumption.

4.1.3 Involved Actors

Tetra Pak is profoundly dependent on good cooperation with other players acting within the packaging production chain.⁶⁴ The bottom-line purpose of the chain is to satisfy end consumer demand for certain products. Each level of the chain is dependent on the former step and determinant for the success of the subsequent step. Suppliers, Tetra Pak employees, customer firms, retailers and final consumers are the five group divisions commented upon through the perception of the Tetra Pak Group. *Traceability* is a large priority for the company. This implies that within every single step of the production and distribution chain, the *origin* of materials and components should easily be able to be found and determined. Much of the information in the following discussion is derived from the extensive Tetra Pak website, which itself will be commented upon in detail in a later discussion. All parties are specifically addressed and the importance of each is emphasized. Tetra Pak places high value on efficient cooperation with each group as the company makes promises and guarantees to them. Maintaining good relations is prioritized to create long-term profitable partnerships.

4.1.3.1 Suppliers & Employees

The *suppliers*, from which the Tetra Pak Group buys raw materials, are claimed to be "innovative, financially solid and committed to product innovation", enabling Tetra Pak to ensure *high quality* of suppliers' materials. Traceability requirements are applicable on *all* raw materials, including wood used in packaging as well as the origin of products contained within the packages. Concerning Tetra Pak *employees*, professionalism and respect is promoted and employees are continuously encouraged to develop. The company is a family oriented firm with strong core values and low staff turnover.

4.1.3.2 Customer Firms

Tetra Pak *customer firms* are juridical persons. Well-known international Tetra Pak customer firms include Nestlé, Coca Cola and Pepsi Cola. These customers are in need of packaging solutions to contain the products they manufacture and distribute. As the customers are product providers themselves, they wish to offer final consumers packaged goods that these demand.

⁶³ <http://campaign.tetrapak.com/lifeofapackage/en/what-its-made-of/>, 23/10/2012.

⁶⁴

http://www.tetrapak.com/about_tetra_pak/the_company/protects_whats_good/pages/protects_whats_good.aspx, 25/10/12.

Characteristics that customer firms share are that they tend to be few in number on the market. Thereby, the Tetra Pak Group, in relation to its size as a large multinational company, interacts with relatively few business partners. However, the customer firms are often large and have substantial market shares. Entry barriers for similar competing firms to the market are high. Therefore, the customer base that exists is generally loyal, leading to a stable and relatively unchanging marketplace. Long term and established customer relationships are promoted through consistency, investments in innovation and gaining respect through expertise within industry. Despite the customer base being relatively small, it is firmly established as the Tetra Pak Group has been active on the market a considerable period of time. Thus, the company enjoys high levels of experience within its field of specialization. By continuously gaining experience through extensive research and development (R&D) projects related to fluid food, Tetra Pak aims to offer modern and extensive know-how. Meeting challenges of providing quality service is vital to *maintain* customers as threats and competition is ever-increasing.

Strong links exist between the Tetra Pak Group and their customers considering their exposure to the public. The Tetra Pak brand is important in relation to their customers in the sense that the company brands are often visible at the *same* time as the brands of the customers, for instance as displayed on packages. The Tetra Pak brand is thereby often used together with, and thereby linked to, customer firms' brands. For the benefit of all firms involved, every party should make efforts and take responsibility to maintain positive reputations and goodwill. Brands should not be negatively affected by *other* firms' deficiencies. The benefits of this type of cooperation is that Tetra Pak is able to live up to its promises and guarantees of high quality and contributes to the feelings of security and trust that relevant players feel towards each other. The Group claims to assume full warranty of marketed machine lines, ensuring safe activities of all buyers and suppliers. To attract customer firms, the ambition of the company is to provide adequate packaging. The aim is that the Tetra Pak packages are easy to distribute, by saving space while being packed together during transportation. They should be practical, functional and easy to use. Additionally, they should be 'strong but not hard'⁶⁵ meaning that the packages should be able to contain the products well yet be light in weight. Paperboard is used to make the package stable without adding unnecessary weight.

4.1.3.3 Retailers

Retailers are another important group as they largely determine *which* products become available to end consumers. The Tetra Pak Group aims to create profitability potential for retailers. This is done by making efficient and functional packages that are well-protected on store shelves. The way in which Tetra Pak designs its packages may affect retailers' choice to provide them in their stores. If retailers are dissatisfied with Tetra Pak packaging, they may refuse to purchase and provide them. Retailers seldom exclusively conduct business transactions with the Tetra Pak Group alone. They purchase and provide a variety of products from a multitude of suppliers. Therefore, Tetra Pak must maintain its attractiveness and distinctiveness not only with actors they interact

⁶⁵ <http://campaign.tetrapak.com/tetra-recart/environment/#Last,23/10/12>.

directly with such as the customer firms, but with additional players on the production and distribution chain, like retailers.

4.1.3.4 End Consumers

End consumers are also a vital group to acknowledge. They are a determinant group of individuals that express demands to satisfy their personal needs and wants. The Tetra Pak Group is committed to making food safe and available, everywhere. The processing and packaging techniques protect the nutritional value and the original taste of food. If Tetra Pak failed in attempts to maintain and protect food, and final consumers were affected by for instance becoming ill or mortality, retailers would stop providing Tetra Pak products on their store shelves. Tetra Pak customers would realize the unprofitability in reselling products to retailers who no longer would demand these products and thereby lose incentive to continue supplying them and switch to other similar manufacturers. The effects of this chain reaction would be devastating, thus consequently, maintaining the highest quality of packages to ensure food safety is a huge priority for Tetra Pak.

4.1.3.5 Society

Society on the whole is the final group the Tetra Pak Group specifically addresses on the company website. The company not only works to develop its own productivity levels and production scales, but places great emphasis on distributing foods to third world developing countries. Tetra Pak promotes sustainable development and food safety while aiming to protect the environment by maintaining forests, encouraging recycling and lowering carbon dioxide emissions. School feeding programs for children have been initiated in more than 50 countries, as well as help with disaster relief projects worldwide and support programs for agricultural producers in less developed areas. Carton board is taken from well-managed forests and the company promotes recycling and Tetra Pak factories are certified to international environment standards. The company states “We believe in responsible industry leadership, creating profitable growth in harmony with environmental sustainability and good corporate citizenship.”⁶⁶ Developing ideas for cost and time efficient packaging in hygienic, practical and environmentally friendly ways to distribute products is a huge priority for the firm.

4.2 Strength of the Tetra Pak Group

Tetra Pak has been a major player on the food packaging solution market for a substantial period of time. Tetra Pak’s strong position is partly due to its longstanding history operating within this market sector. Despite competitors being able to provide similar solutions, the Tetra Pak Group is still able to maintain a large range of products. The company’s size and wide spread recognition as market leader makes it stable on the market. *Entry barriers* into the market are high. One of the reasons behind these barriers is the fact that

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http://www.tetrapak.com/about_tetra_pak/the_company/protects_whats_good/pages/protects_whats_good.aspx, 26/10/2012.

extensive know-how is required in the production field. Tetra Pak customers need to be able to trust and rely on the adequacy of the packaging and processing solutions, so that they have high confidence that their products in turn will reach their customers in the best condition possible. The Tetra Pak Group has a reputable track record, thereby satisfying and reassuring customer firms and making it more difficult for new manufacturers to enter the market. The business in which the Tetra Pak Group engages is complex. It incorporates high levels of specialization, resources and know-how. This professionalism is necessary to be able to enter the market. A potential entrant would therefore face a considerable risk because of the maturity of the market, providing as yet another entry barrier.

4.3 Competition and Threats

Despite advantages enjoyed as a major market player, increasing global competition is providing for larger threats to the Tetra Pak Group. Competing entities gain inspiration and are influenced by the company's business efforts, being a large and internationally well-known firm. Negative effects of this are that it creates incentive for competitors to develop rivaling solutions to the Tetra Pak Group's offerings. The undesirable effect of being well recognized to the public is that the company is exposed to the risk of infringement and unfair advantage being taken on it. Other players may gain ideas from Tetra Pak inventions and develop competing alternatives on the market. The visibility of the company and its brand can spark rivaling innovation within competitor firms' R&D programs. Through modern technologies, competitor imitations both within packaging solutions and packages are increasing in number and in strength. Some examples of competitors that Tetra Pak faces challenges from include the Swiss company SIG and Norwegian Elopak, that both produce carton packaging. Apart from these competitors that are present in the *same* markets as the Tetra Pak Group, it should be mentioned that liquid food can be packaged in glass or metallic containers instead of in paper cartons. This means that there are *additional* competitors challenging the Tetra Pak Group in the packaging industry with alternative solutions.

Competition in *price* customer firms pay to use Tetra Pak solutions to package their goods is another issue. Customer firms in need of processing and packaging solutions do not only obtain these services from the Tetra Pak Group but also from other firms. These competitors may offer solutions at lower prices compared to the Tetra Pak Group. This could induce customer firms to switch to or increase demand of services from rivaling firms with cheaper solutions.

The global economy is growing at a fast rate. Focusing on the Asian market, rapid growth within this market is the most substantial. This affects the Tetra Pak Group, both in positive and in negative ways. The increased volume within Asian markets poses considerable threats as Tetra Pak market shares are lost to cheaper alternative packaging methods available to customer firms. However, in a positive light, increasing disposable consumer income in Asia is predicted to increase demand for packaging. While there exist increasing threats of competition, market expansion opportunities are increasing as well.

The relevance of competition in relation to brand value is that companies should be aware of potential effects of competition to counter it and survive on the

market. Brands are tools of differentiation and provide for competitive advantage. Their maintenance and development should therefore be prioritized. Additionally, competition affects the division of market shares and thereby the extent of customer awareness, which affects brand value.

4.3.1 The Tetra Pak Brand and Trademarks

As a worldwide known packaging company, the Tetra Pak Group has an established image, especially amongst its customer base. The company has a well-recognised trademark and is well known in the food packaging industry. This is much due to having been an active and strong force on numerous markets for over half a century. The company logo is found and identified on packages around the world.



Figure 5: The components constituting the Tetra Pak Group's trademark. Incorporating the company's brand pillars, which focus on food safety, environment and social responsibility signifies the company brand.

The company name itself, "Tetra Pak" is the logotype. It is a registered trademark and was developed after the initial tetrahedron shaped package produced. The name is creative with no meaning. It is derived from the word "tetrahedron" and "Pak" which is a play with words for package.⁶⁷ An important benefit with these two words is that they are universally simple to pronounce and spell in a majority of languages. The word combination is a mother brand. This means that "Tetra Pak" is the company name yet by combining, for example, the words "Tetra" and "Top" a registered trademark name for the Tetra Top® carton package is established. "Tetra Pak is not a package."⁶⁸ This phrase promotes the fact that Tetra Pak is not a product brand meaning that no product on the market may be marketed only under the specific wording of "Tetra Pak". The figurative symbol depicted is a pyramid shaped graphic design, inspired by the first Tetra Pak package made, and is coloured blue and red. The pyramid shaped symbol combined with the name "Tetra Pak" constitutes the logo.

Considering the distinctiveness of the Tetra Pak logo, it is a suggestive one, indicating characteristics and quality of products in relation to how they are used. It is not descriptive or generic as it to a certain extent requires imagination to identify these characteristics. The word combination is a registered protectable trademark. However, it is only this particular combination that enjoys legal protection. Other entities can use the terms "Tetra" and "Pak" separately or combined with *other* words. Some examples of companies using the term

⁶⁷ The original package is today called Tetra Classic. It is mainly used to package small volumes of cream.

⁶⁸ Löfgren, Christer, *Tetra Pak is not a package*, Brand News, årgång 16, nummer 03 (2005), p. 8, http://www.brandeye.se/artiklar/bn305_hart.pdf, 19/11/12.

“Tetra” includes the Tetra Werke company and Tetra Tech.⁶⁹ However, “Tetra” is *not* allowed to be used in relation to similar products offered by the Tetra Pak Group. In contrast, other packaging companies *can* use “Pak” to form trademarks. Example are “Pure Pak” and “Elopak”.⁷⁰

The Tetra Pak motto reads “Protects what’s good™”. It symbolises the key aim of the company: to preserve and protect products through adequate packaging by creating smart food processing and carton packaging solutions. Products contained in Tetra Pak packages should reach end consumers in the highest possible level of quality and result in consumer satisfaction. The aim is also to commit to sustainable business practices and innovations that make food safe and available.⁷¹ The motto entails taking into account the needs and wants of the business and *all* relevant parties with which the company interacts. Goals of continuously improving the company’s technologies resulting in safe and healthy products with minimal impact on the environment is consistently promoted as the Tetra Pak Group portrays itself both to internal actors and public market players. The motto aims to cover the entire production chain incorporating suppliers, employees, distributors, customers, end consumers, communities and the global society on the whole. The Tetra Pak motto and figurative symbol is simple yet meaningful as it conveys a message of purpose which aids publicity and awareness.⁷²

The Tetra Pak trademark is today registered in more than 170 countries, with over 2,000 trademark registrations and 260 domain name registrations.⁷³ Examples of representative registrations include Swedish trademark Registration No. 71196, “Tetra Pak” registered in 1951, the Community trademark (CTM) Registration No. 1202522, “Tetra Pak” and the CTM No. 3276565, “Tetra Pak Protects what’s good” as a device mark.⁷⁴

4.4 Protecting the Tetra Pak Trademark

*Trademarks mean business.*⁷⁵

The Tetra Pak Group provides specific requirements for external and internal actors on how to use the Tetra Pak trademarks.⁷⁶ The importance of the trademark, what it means and how to use it is defined and exemplified, to provide for clarification. This effort illuminates the fact that Tetra Pak highly values its marks and wishes to promote them. It is important that they are used

⁶⁹ Tetra Werke is a supplier company of aquarium equipment and fish food. Tetra Tech is an environmental engineering and resource management firm. They do not conduct the same business as the Tetra Pak Group.

⁷⁰ Elopak is a Norwegian company producing cartons for liquids. The company was founded in 1957 as a European licensee of Pure-Pak.

⁷¹ http://www.tetrapak.com/about_tetra_pak/pages/default.aspx, 02/11/12.

⁷² Aaker, (1991), p. 72.

⁷³ WIPO Arbitration and Mediation Center,

<http://www.wipo.int/amc/en/domains/decisions/text/2010/d2010-0268.html>, 14/11/12.

⁷⁴ *Ibid*, 22/12/2012.

⁷⁵ Löfgren, Christer, Brand News, årgång 16, Nummer 03, 2005, p. 8.

⁷⁶ On the Tetra Pak website, www.tetrapak.com, links under the section “Newsroom” and further onto “Trademarks”.

http://www.tetrapak.com/about_tetra_pak/press_room/trademarks/pages/default.aspx, 12/11/12.

correctly, by everybody, and avoid terms used in the trademarks to become generic. The Tetra Pak Group advertises this information through the company website. The company aims to reach out to the public and grant them a positive impression of the Group. The Tetra Pak Group portrays a caring attitude towards its trademarks by making efforts to set guidelines on how to use company trademarks correctly. Individuals exposed to this will most likely associate the company as being serious and thorough in the work they do. Readers are granted a moral responsibility in helping to preserve the value of the Tetra Pak brand. Tetra Pak trademarks must be used correctly at all times, both orally, whilst speaking about the trademark, and in writing. Trademarks should only be used in connection with the products they represent. In other words, only Tetra Pak produced goods may be represented by Tetra Pak trademarks and trademarks may not serve any other purpose or be used in other ways. However, when describing Tetra Pak packages in themselves, these may be termed using neutral and general words such as cartons, carton-based packages, containers and so on.

General principles and guidelines listed on the Tetra Pak website when using the company trademarks are that the full and proper name should always be used. They should be spelled correctly and not simplified or abbreviated unless this is specifically allowed. Furthermore, it is stated that all trademarks should be used together with the generic name of the product. Two examples are presented, one concerning a Tetra Pak manufactured package and the other when describing a Tetra Pak machine. One should say “a Tetra Prisma package” when talking about one such package. If talking about a machine, one should use “the Tetra Rex machine”. It is not enough only stating “Tetra Prisma” while referring to this type of package, nor saying “Tetra Rex” when referring to the machine. It is also mentioned that trademarks are special features and should stand out in a distinct manner. This signifies the fact that initial letters in a trademark name or number of names always should be capitalized. As other trademarks, the Tetra Pak trademarks should be provided with the ® (registered trademark) or ™ (trademark) symbols when used on machines, packages, etc.

Since a trademark is not a common noun available to describe generic objects, it should never be used in combination only with an article, in plural or in genitive. This has become the fate of certain previous trademarks that were originally legally protectable names. However, they have lost legal protection as their names became the generic name of the relevant product. Some common examples of this phenomenon are Aspirin, Zipper and Yo-Yo.⁷⁷ This would be detrimental for the Tetra Pak Group and the company strives to prevent this. Thus, for instance, when discussing a product such as a Tetra Brik package, it must never be described as “Brik”, “Briks” or anything other than specifically “Tetra Brik”. If referring to the machine, one should state “the/a Tetra Brik machine” or only “Tetra Brik”. Only using “the/a Tetra Brik” should be avoided as this is descriptive. Another example is to never use the expression “Pass the Tetra” when referring to passing a carton of milk. Instead, one should either say “Pass the Tetra Pak package” or “pass the milk carton”. Lastly, it is requested to use the Tetra Pak trademarks as consecutive texts and avoid separating them.

⁷⁷ A list of former trademarks that have become generic terms and protected trademarks that are frequently used as generic terms can be found on this link:
http://en.wikipedia.org/wiki/List_of_generic_and_genericized_trademarks, 21/11/12.

4.5 Tetra Pak Customer Brand Image

Direct transactions take place between the Tetra Pak Group and their customers. Customer brand awareness and brand association is based upon customers' levels of *recognition, recall, familiarity* and *opinion* of a brand. It is a desirable goal for the Tetra Pak Group to achieve high levels of the abovementioned customer perceptions.

Customer awareness is fundamental in establishing and preserving a valuable B2B brand. Combined with customer firm's brand association, it builds positive brand image leading to an increase of the strength of the brand. This is a result of the chain relationship between customers' levels of recognition of the brand, eventually leading to feelings of familiarity to it and thereby influencing the attitudes and feelings that customers have. This essentially affects their levels of loyalty expressed. Actual physical actions, such as purchasing habits or verbally recommending and speaking positively about a brand are reflected through the loyalty that exists. According to the brand equity theory model presented above in section 3.3, this loyalty constitutes the strength of the brand. The reader is advised to keep the brand equity model in mind in the following discussion and recall the fact that the various levels of recognition contribute to establishing some kind of emotional feeling towards a brand. This is *regardless* of if one is considering the situation on a B2C markets where there exists a direct link between companies and the physical persons as end consumers or if one is considering a B2B relationship, where juridical entities constitute the manufacturer-customer relationship. Despite this fact, the purchasing decision makers are physical persons acting on behalf of the companies they represent. These are the Tetra Pak Group's customer firm's employees.

The components that form individuals' attitudes and behaviors are what they learn, how they feel, what they do and the overall experience. Customer knowledge, feeling, acts and general evaluation theoretically determines their overall brand image. It is assumed that most organizational purchases are a result of this cognitive process. For B2B brands in general, and packaging brands like Tetra Pak in particular, a learn-feel-do-experience sequence seems to be the most plausible conceptualization. The assumption is based upon *involved individuals*. This means that individuals are well informed, educated, mentally and physically active and aware. Understanding individuals' associative memories and how they evaluate a B2B brand is central for the Tetra Pak Group to acknowledge. The process that potential purchasers undergo can be described in a logical model, to better understand the probable stages that buyers experience on B2B markets. Initially, they experience some kind of need or want that they wish to satisfy, either passively or actively. This is the demand that is created. Individuals then encounter a brand. They gain knowledge about it and make a connection with it in their minds. This leads to eventual recognition of the brand. They may engage in product research and comparison of various alternatives available to gain more information. After this stage, individuals may experience some kind of interest in the brand, an attitude towards it or even establish a preference. This is the affective or feeling-related stage. Interest, brand attitude and preference are possible to assess *before* a purchase has been done, as thought occurs before acts. The customer may even to express an opinion on the brand. Next, action takes

place. If customers have a positive brand attitude, they may undergo a purchase and even promote or recommend it to other potential customers. Satisfaction is a potential *result* of the “feeling” stage.

If a customer’s overall experience of Tetra Pak’s products is positive, then a number of benefits will result. The previous steps may be *repeated*, perhaps even with less stages involved through re-purchasing. This is because familiarity is established. A requirement is that the brand remains consistent so that customer expectations are fulfilled. Extension potential is possible. This means that the customer will purchase *other* product solutions offered by the Tetra Pak Group as they may conclude that if they were satisfied with the original branded product they purchased, they will most likely be satisfied with additional products under the same brand, from the same company. Thus, positive association with the Tetra Pak brand is established.

Tetra Pak customers’ brand associations consider the way individuals perceive quality, reflect upon and evaluate the reliability of a brand and what it represents. Tetra Pak customers will have different associations to the brand as they think back upon it. Much association is derived from their initial awareness of it. As presented in section 3.3.1.2, brand association is divided into product association, service association, distribution association and company association. *Perceived quality* is the main factor constituting brand association. It should be kept in mind that it merely indicates individuals’ *perceptions* and does *not* reflect *actual* quality.

Product association illustrates how customers reflect upon *products* offered by the Tetra Pak Group, such as packaging material. The Tetra Pak Group’s ambition is that customer firms should perceive the material as being of a consistently high quality, functional, easy to use and appropriate for the benefit of containing customers’ products. If individuals make this type of association and realize the benefits provided for the customer firms on whose behalf they are acting, this will reflect positively on the Tetra Pak brand.

Service association is equally important, as the Tetra Pak Group offers solution services such as packaging equipment and know-how. Equipment should function quickly, efficiently, safely and cleanly and be attractive for customers to utilize. Additionally, services include personnel services such as Tetra Pak employees. These should display qualities such as availability, expertise, friendliness and professionalism. Representatives of customer firms should feel that working with Tetra Pak employees is a positive experience, for instance by having their questions and comments answered in a satisfactory way.

Distribution association should also be acknowledged. The Tetra Pak Group engages in transportation and distribution between their own facilities and customers’ production factories. Transports should be time and space efficient. Deliveries should aim to arrive on designated time and place, with correct amounts, types and quality of materials. Delays and mistakes should not be frequent and be explainable if this were to occur. The Tetra Pak Group should aim to consistently honor contracts with customer firms. Prioritizing efficiency brings benefits to the environment as it aims to lower transportation frequency and distance.

Company association concerns how customer firms perceive the Tetra Pak Group as a whole. It is their overall perception of the company and brand. The ambition is that customer firms view the Tetra Pak Group as a good business partner and as an entity with which they wish to be associated. Observing the Tetra Pak motto of “Protects what’s good”, the immediate association that customers are bound to make is that products contained within Tetra Pak packages is of high quality and that the package itself maintains and protects this quality. The brand identity provides a value proposition, which is a statement of the functional, emotional and self-expressive benefits delivered by the brand that provide value to the customer. An effective value proposition leads to a strong brand-customer relationship and drives purchase decisions. A functional benefit is one where the product provides a utility to the customer.

Customer’s willingness to pay price premiums can develop as satisfaction leads to preference and possibly reluctance to switch to substitutes. This means that customers are willing to pay a higher price for the specific brand than for substitutes. Recommendation is also an apparent benefit of a customer’s positive experience of the brand. This process is what ultimately results in loyal customer firms and a stable customer base for the Tetra Pak Group. When B2B companies understand and acknowledge the importance of their customers’ thought and action processes, which as are essentially processes occurring in the minds of individuals as company employees, they can develop their marketing strategies to increase their satisfaction.

The reputation of the Tetra Pak Group is determined by the perceived quality customers have of Tetra Pak brand. The Group’s priority in managing their reputation includes anticipating customers’ needs and understanding the expectations and concerns of *all* stakeholders. An example is that in 2011, the Tetra Pak Group engaged with over 15,000 key stakeholders in 28 countries to gather their views and better understand their perceptions and expectations of the Group. The research model was developed with the Reputation Institute, an organization working with world-renowned companies on reputation management. The reputation management model investigates stakeholders who were asked to rate the Tetra Pak Group on seven dimensions of the Group’s reputation profile: products and services, innovation, workplace, governance, citizenship, leadership and performance. The broad reach and wide geographical spread of the research allowed the Group to compare views across different stakeholder groups and markets, and is useful for future comparisons and improvements.⁷⁸

4.5.1 Tetra Pak Group Building Customer Brand Image

The Tetra Pak Group creates a positive basis for customer brand image. Firstly, the Group highly prioritizes food safety. Secondly, there is large emphasis on environmental protection and social responsibility. The first issue is directed to customers and end consumers as these actors require high quality packaging to protect their products. The second issue relates to moral and ethical values. It

⁷⁸ The Reputation Institute, <http://www.reputationinstitute.com/>, 19/10/12.

contributes to individuals having a positive connection with a firm that shares these values as a good corporate citizen.

4.5.1.1 Food Safety

Protects what's good.

Food safety is a determinant force behind customer brand image. It is the handling, preparation and storage of food in ways that prevent food borne illness. According to the World Health Organization (WHO), food safety incorporates an assurance that food will not cause harm to consumers when it is prepared and/or eaten according to its intended use. Food safety is a major consumer issue and thereby affects customer firms' choice of business interactions and relationships. If it was discovered that Tetra Pak packaging solutions *failed* to provide adequate protection and preservation of products contained in them, customer firms would cease demanding these solutions. The effects would prove devastating for the brand image and would negatively affect brand strength and overall value. As customer firms would discontinue conducting business with the Tetra Pak Group, availability of packages would decrease and end consumers would no longer want or be able to purchase products contained in Tetra Pak packages. The Group's reputation would be damaged, and it would take a considerable amount of time for the Group to regain former strength and re-establish individuals' feelings of reliability and trust.

Consumers expect products they purchase to be safe. For producers, food safety signifies constantly being in control of *all* production parameters to secure quality throughout the entire chain of production. They must be aware of the origin of ingredients, how and by whom they are handled and processed, hygiene standards, packaging, shipment and preservation requirements. Any materials that come into contact with products also interact with those products. This means that not only the packaging material, but also everything else in the production process that comes into contact with the food, must be considered. Only materials approved for food contact are allowed to be used to avoid risk of contamination. *Worldwide food safety legislation* states that materials intended for food contact must be safe and approved. All parties in the production chain share responsibility for food safety including producers, processing and packaging entities, wholesalers and retailers. Failure to fulfill these responsibilities can lead to health hazards, economic losses and bad will. The Tetra Pak Group claims to enable global producers to achieve high standards of food safety and profitably through unique knowledge and experience in safe food processing and packaging.

Food trade is global. Well-developed methods of traceability are valuable and significantly reduce costs of recalls and bad will. Tetra Pak aims to enable traceability through the entire production chain. By tracking the origin of foods and their route through the production chain, risks of unexpected incidents is reduced and trust is maintained. Thereby the Tetra Pak motto "Protects what's good" accurately reflects the Group's aims and ambitions.⁷⁹

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http://www.tetrapak.com/Document%20Bank/Products_and_services/processing/Food_safety1103.pdf, 13/12/2012.

4.5.1.2 Social Responsibility

More human, less corporate

It is beneficial for a global firm to appeal to individuals by providing them with values they can relate to and identify with. This adds a personal dimension to a brand and has a positive effect on brand image. When individuals feel special, appreciated and share an active participation with a firm, an advantage is provided. Individuals' interests, values, beliefs and self-images should be reflected to gain this individual recognition and involvement. The efforts of getting close to people, understanding their problems and responding to them to build strong relationships contributes to strengthening awareness and association and thereby brand image.

The Tetra Pak Group has followed this by being a *good corporate citizen*. This includes being involved in charities and help programs and promoting sustainable development and environmental care while providing products of high quality. These efforts contribute to building a positive image for the brand. Cause programs and charities add interest and visibility to the Group's brand resulting in positive attention, credibility and even differentiation. The Tetra Pak Group focuses on adequate packaging produced in an environmentally friendly way being accessible to people all over the world and affordable to those in greatest need of nutritious products. The Group's engagements are consistent over time suggesting serious and committed long term projects.

According to a 2012 sustainability update, the Tetra Pak Group states that "everything they do is driven by the simple promise- protecting what's good". Because of the low relative cost of its end products, the developing world is an important market for the Group. From climate change to responsible use of natural resources to food security and nutrition, the Tetra Pak Group is involved with issues that engage end consumers. The Group engages in a number of environmental and sustainable development projects. These focus on responsible forestry and reduction of carbon dioxide emissions. Focus is also on nutrition, in particular for school children and fighting malnutrition as a result of poverty in developing countries, with a focus on distribution of dairy products and developing production methods.⁸⁰

Responsible forestry and the importance of maintaining well-managed forests is an important area of concern for the Tetra Pak Group as packaging company. The Group is dependent on natural resources in forests that provide raw materials for packages. The Group has a strong objective in growing business while limiting climate impact. Some additional benefits in doing this include increase jobs for local communities, pleasant natural environment as well as combating climate change through maintaining forests that transform carbon dioxide into oxygen. It is vital for the company to make sure that their suppliers of raw material are certified and responsible⁸¹, to maintain and preserve the forests for a sustainable use of renewable resources. The Group works with the WWF on issues concerning responsible forestry and climate change. Promoting recycling of used packages is another important policy for The Tetra Pak Group. It is

⁸⁰ Sustainability Update 2012, <http://reports.tetrapak.com/su2012/home/>, 15/10/2012.

⁸¹ Some of the packages are certified with the FSC label (Forest stewardship council).

possible to recycle the layered material in Tetra Pak packages, by re-pulping them in a paper recycling mill. When soaked in water, the wood fibers separate from the plastic and aluminum and can be turned into new products.⁸² Currently, cartons are made out of 70% of renewable paperboard. A new cap made of renewable plastic made from sugar cane is developed as well. Reducing packaging and increasing sustainability while at the same time addressing consumer demands is a complex dilemma for the Group.⁸³ It requires an adequate balance in production volumes and methods. Maintaining and continuously improving *sustainable* productivity efficiency is the best option to succeed.

The Tetra Pak Group takes an active role in promoting nutrition, especially for school children around the world. The advantages of school nutrition are that it promotes attendance in school, improves child health and academic results, supports development of local agriculture, creates work opportunities, develops the private sector and helps build commercial markets. Two of the many organizations that Tetra Pak is involved in include The Global Child Nutrition Foundation (GCNF) and Global Alliance for Improved Nutrition (GAIN). Tetra Pak also involves itself with various school feeding programs. “Good learning starts with good nutrition” means that supplying milk and nutritious foods to schools improves health and learning outcomes as well as being a catalyst for economic growth, technology transfer and job creation.

4.6 Tetra Pak Brand Strength

The level of Tetra Pak customers’ brand image, derived from awareness and association to the brand, essentially affects their behavior. The reasons to why customers choose to conduct business transactions with a specific manufacturing firm vary and can be influenced and determined both by internal company efforts and external factors. The following section focuses on the Tetra Pak Group’s methods that influence customers’ actions. These efforts affect customer choice and provide motivation and reason for customer involvement. Ultimately, customer incentive to purchase Tetra Pak goods and services is reflected through their level of loyalty to the brand.

Customer loyalty provides for future sales, leading to a strong brand. Strong brands provide a considerable competitive advantage in surviving and expanding on the market. As derived from the brand equity model, the strength of a brand determines the value of it.

⁸² <http://campaign.tetrapak.com/lifeofapackage/en/what-its-made-of/>, 17/12/2012.

⁸³ Tetra Pak CEO discusses demand for functional packaging that doesn't cost the earth, <http://www.beveragedaily.com/Processing-Packaging/Tetra-Pak-CEO-discusses-demand-for-functional-packaging-that-doesn-t-cost-the-earth>, 15/11/2012.

4.6.1 Co-branding

Individuals' mental perceptions influence the way they behave, regardless of if they act for personal motives or related to their employment. The Tetra Pak Group as a manufacturer is strongly connected with customer firms. Thus, despite being a B2B relationship, employees as decision makers on behalf of the customer firm are affected by the Tetra Pak brand.

As a result of cooperation that exists between the Tetra Pak Group and their customer firms, the companies involved are linked, internally and externally. The relationships between them suggest they are interdependent on each other's efforts and successes. *Co-branding* is an example of a link between the Tetra Pak Group and their customers. Co-branding exists when multiple brand names are found together on a single product. In this case, co-branding is taking place on a vertical level between manufacturers and producers on different levels of the production chain. Both actors manufacture, yet different products. The Tetra Pak Group offers packaging and processing services whilst customer firms like dairies, juice companies and wineries produce fluid consumption goods. The Tetra Pak Group is a supplier to its customers. Often, both the Tetra Pak trademark and the customer firm's trademark are found in print on the packages. This becomes visible to end consumers. The final buyers that buy the packages not only purchase the Tetra Pak package but the product contained within. Assumingly, the end consumer primarily demands the actual *product* contained within the Tetra Pak package for personal consumption and not the Tetra Pak package itself.

There is an important cooperation between the Tetra Pak Group and customer firms. They are not competing against each other. On a package both the Tetra Pak trademark and the trademark of a customer firm are depicted. They signify different aspects of the product as a whole, since the Tetra Pak mark symbolizes the package itself used to contain products. The customer firm's mark indicates the good contained within the package. For an uninformed or unaware individual the distinction may not be obvious. An end consumer may in fact confuse the functions of the marks, such as their indications of origin, function or guarantee. They may wrongfully assume that the customer firm's mark incorporates *both* the package and the product contained. Countering this issue is not trivial. A balance should be reached on the visibility of marks displayed on the package. Commonly, the customer firm's mark is more apparent than the Tetra Pak trademark. The reason behind this is most likely due to the dominance of the B2B relationship between the Tetra Pak Group and its customers in comparison with the B2C relationship between the customer firm and end consumers.

The relationships between Tetra Pak and customer firms are not exclusive. The Tetra Pak Group provides packaging solutions for competing customer firms whilst customer firms not only engage in business with the Tetra Pak Group but also with Tetra Pak competitors. *Distinctions* between the Tetra Pak marks and those of competitors displayed on customer firms' packages are important. A positive link with the Tetra Pak brand leads to customer's wishing to engage in business relations with the Group. This wish results in action. Enforcing the Tetra Pak promise to protect goods through adequate and high quality packages is guaranteed through the company brand. A negative issue arises in the case of

customer firms themselves not producing high quality products. An interesting question is if the Tetra Pak Group can place quality requirements upon its customer firms. Naturally, it would not be a beneficial effect for the brand if the Group was wrongfully accused or linked to poor-quality goods, in fact originating from lack of quality on the part of a customer firm. The Tetra Pak Group aims to conduct business with reputable customer firms who in turn are known for placing emphasis on creating quality products.

Co-branding is important for customers as it visually links them to the Tetra Pak brand. The fact that the link is apparent means that customers realize that they will become associated with the Tetra Pak Group in eyes of end consumers. If Tetra Pak has a positive brand image, this is a beneficial effect. Co-branding is linked to brand strength as brand strength is customers' reactions, evaluations and responses towards a brand and deals with how customers behave or intend to behave, best measured through their levels of loyalty. Co-branding is action as a result of the cooperation between the Tetra Pak Group and the customer firm. It can be linked to brand image as well, as customers may gain positive awareness and association knowing that they will be publically and visually linked with the Tetra Pak group through co-branding.

4.7 End Consumer Brand Image

End consumers purchase for personal motives. Their ambition is to get their money's worth and satisfaction with the products they spend money on. Despite being a B2B oriented company, the Tetra Pak Group must not neglect the importance of end consumer brand image to build and preserve its brand.

End consumer awareness and association is beneficial to establish. End consumers are the final, determinant decision makers in the production and consumption process. Naturally, it is favorable for the Tetra Pak Group if final consumers of packaged products *recognize* the various Tetra Pak cartons and link them to the Group. It is advantageous if they make active decisions based upon the function and quality of a package, grounding the choices on previous experience, familiarity with the package and know what to expect from it. Gaining *recall* amongst consumers entails that if they were randomly asked about which brands come to mind when inquired about food and drink packaging, the Tetra Pak brand is mentioned. Final consumers of Tetra Pak packages may directly associate the brand motto "Protects what's good" with chilled beverages like milk and juice which are good products that need protection and where the package itself is the specific utility to satisfy this need.

However, as a B2B market player, the Tetra Pak Group has little direct interaction with consumer individuals. Therefore, brand recognition is often relatively low. Frankly speaking, many final consumers will not be aware of the Tetra Pak brand itself. They are most likely unaware of the difference between similar looking packages on supermarket shelves. Instead, end consumers will consider factors such as the packaged contents, product price, functionality of the package, quality of content and perhaps the attractiveness in graphical design of the package itself. For example, if a consumer has decided to buy a package of milk, they will do so, assumingly without pondering further upon the package in which the milk is contained. They will most likely view the actual packages and

those of the Tetra Pak's competitors as adequate substitutes. Thus, cooperation between the players on the production and distribution chain is crucial, as each interconnection is dependent on the other. Collaboration and support is vital for the success of each party throughout the different stages, in order to reach out to the final consumers who often are the most determinate factors when defining the value of a brand as the ultimate decision makers of whether or not to purchase the product. The Tetra Pak Group is completely dependent on all other players in order to succeed on the market and sell their packaged products.

This being said, it must be acknowledged that Tetra Pak *does* make considerable effort in promoting its brand to final consumers around the world. B2C markets are very much affected by psychological aspects. Factors that affect brand value include how customers feel, emotionally, towards the brand. If they are experiencing a feeling of liking, respect and admiration towards the company, this can prove very beneficial. Consumers are likely to feel closer to a corporation that they respect and that share their values. This was exemplified in the previous discussion in section 4.5.1 on food safety and social responsibility promotions. An example to support this argument is a global survey published in American media called the second annual Good Purpose study by the Edelman Trust Barometer⁸⁴ which investigated consumer expectations on multinational companies. Of particular emphasis was the fact that companies that support good causes enjoy higher levels of support than those who do not. It can be derived from this survey that 80% of consumers expect companies to be involved in good causes during recessions. 55% of these final consumers are willing to pay higher premiums for goods provided by involved companies. 78% were prepared to switch to firms engaging in good causes. When choosing between brands of the same price and quality, it was shown that being involved in social matters influenced 42% of potential buyers. This was compared to design and technology (30%) and regular brand loyalty (27%).⁸⁵ The Tetra Pak Group has made extensive efforts in developing these feelings within individuals.

An important information source for individuals to gain knowledge and awareness of the Tetra Pak Group is the *company website*. The Group has an extensive website to advertise the company and addresses the public. Specific categories of people are addressed and the company makes promises to satisfy each group. This makes each group feel acknowledged and appreciated by the firm. Based upon psychological approaches and effective advertising through the website, the Tetra Pak Group establishes itself in the minds of individuals. The website provides a wide scope of information, highlighting areas of interest of the company. It is simple to navigate through and promotes the benefits of available products and services. Quality of products, efficiency of production methods, core values and responsible actions are emphasized. Terminology used within the website is simple and easy to understand. It illuminates the message of the company in a clear and enthusiastic way. Information is available in a large number of languages and reaches out to individuals all over the world.

⁸⁴ Edelman Trust Barometer, Good purpose, <http://www.edelman.ie/index.php/insights/good-purpose/>, 12/11/2012.

⁸⁵ Brand News, <http://www.brandnews.se/hjartlosa-svenska-foretag-maste-ta-storre-socialt-ansvar>, 12/11/2012.

Advertising through event promotions, publicity, sampling, sponsorships and other attention grabbing approaches can help build final consumer awareness and association. It can help establish a feeling of presence, devotion and involvement on the part of the company. This type of advertising aims to be memorable and special, so that individuals link the context of the advertisement with the Group and understand the relation between them, as well as making lasting impressions on them. An example of a beneficial promotion of the Tetra Pak Group was when the Tetra Brik carton package was represented at the Hidden Heroes – The Genius of Everyday Things exhibition at the London Science Museum/Vitra Design Museum, celebrating “the miniature marvels we couldn’t live without” in November 2011. The Royal Swedish Academy of Engineering Sciences has proclaimed the Tetra Pak packaging system one of Sweden’s most successful inventions of all time.⁸⁶

The *mass media* is another powerful tool for companies to portray themselves to individuals. The vast amount of information rapidly travelling throughout the world, reaching millions of individuals on a daily basis and knowing few borders is determinate for companies’ brand image. In the form of news articles, social media groups and internet video clips, mass media can assist in establishing brand awareness through recognition and create brand associations. Positive news articles highlighting the Tetra Pak Group’s efforts contributes to positive connotations linked to the company. Reaching out to millions of global users, social media has become an increasingly vital tool for information spreading. It can spark and influence opinions, attitudes and individual reflection. Social media is a multilingual device, and uses graphic displays when portraying certain imagery. A firm like Tetra Pak must take special care when handling social media, as information spreads at rapid speeds, regardless of if it is true or false. The reputation and goodwill of a firm can heavily be affected through the slightest rumor or hearsay. According to independent research, people feel they gain a more intimate relationship to a company or product through social media pages compared to through the company website. Through social media, consumers influence each other’s preferences and opinions, as they can share their thoughts publically and even gain a feeling of group belonging and familiarity through a company’s page.⁸⁷ The Tetra Pak Group today has their own profile on certain social media groups, to provide for an official representation of the company that they control themselves. This helps prevent unauthorized actors create false profiles and misuse the Tetra Pak Group’s image.

Packaging of products is important in B2C markets as a package is a way for consumers to visually connect with a product. This is through the shape, design, colors and materials used that contribute to the overall appearance and thereby the attractiveness of a product. According to research, it takes an estimated one to three seconds for a company to sell its products as a consumer browses the retail market place.⁸⁸ The packaging industry has a strong focus on price.⁸⁹ This is because competing companies in the industry often offer similar products on

⁸⁶The Royal Swedish Academy of Engineering Sciences, IVA, <http://www.iva.se/en/About-IVA/History/Tetra-Pak/>, 18/10/2012.

⁸⁷ Mashable, Social Media, <http://mashable.com/2012/09/24/facebook-brand-page-value/>, 19/10/2012.

⁸⁸ Wright, p. 246.

⁸⁹ Persson, p. 96. As derived in research on SCA packaging company.

the market. Customers have rather high bargaining powers. Branding is a practical strategy in the packaging industry to create differentiation which leads to a sustainable competitive advantage. Price wars should be avoided, which is when firms' competition in price setting to attract customers gets out of control by spiraling downwards. This leads to profit losses.

4.8 Tetra Pak Efforts and Awards

The Tetra Pak Group undergoes substantial efforts to increase its global reputation, increase individuals awareness and positive association and thereby enjoy the advantages of a strong and successful brand. Maintaining good B2B relationships, social responsibility, efficient use of media, an informative multilingual website, social media are some methods used to build brand image, which leads to loyalty, strength, brand value and overall brand equity.

In 2008 the Tetra Pak Group stated that it *renewed* its brand and unleashed a new graphic identity to give the brand a “bolder, fresher and more colorful look”. Positive news articles explaining how Tetra Pak “revitalizes its brand to strengthen its global identity”⁹⁰ were published, spreading awareness and publicity on the subject. The company launched a new visual identity to enliven its brand promise, “Protects what’s good”. The brand revitalization had the aim of strengthening overall *awareness* on what the company does and stands for. The significance of this approach is that the company itself understands and acknowledges the importance of continuously renewing and developing its brand. It is aware of the fact that the market place is evolving, with new players entering and outdated players leaving. What was relevant several decades ago may not be as relevant in more recent times. Modernization and forward-looking attitudes is necessary to keep up with increasing competition and threats. Companies that fail to keep up with changing times are at higher risk of being outmaneuvered and become outdated. As stated in the introductory section of this work, it is not enough with the superiority of a product to survive on the market. It may not even be enough with a loyal customer or consumer base. The truth of the matter is that firms need to stand out and make lasting impressions on individuals. They have greater opportunities these days to market themselves to large groups of people and organizations.

The current CEO of the Tetra Pak Group, Dennis Jönsson, stated that “*Tetra Pak is a brand with a rich heritage and an exciting future. Our motto (...) extends far beyond protecting the contents in a package. We are protecting what is good in order to shape a better future for our customers, the company, our employees, our suppliers and the communities in which we operate.*” The new brand identity is designed to help differentiate the company and support its position on the competitive market. The brand work was developed by conducting extensive strategic review of the Tetra Pak brand identity on a global basis.⁹¹

⁹⁰ *Tetra Pak revitalizes its Brand to Strengthen its Global Identity*, 19/03/2008, http://www.tetrapak.com/about_tetra_pak/press_room/news/Pages/pr_gen_7_Brand_release_200803.aspx, 13/12/2012.

⁹¹ *Tetra Pak to undergo brand make-over in 2008*, http://articles.economictimes.indiatimes.com/2008-03-25/news/27737516_1_brand-identity-tetra-pak-packaging, 25/11/2012, The Economic Times.

Another example of an effort in favor of the Tetra Pak Group's brand image is when the Group received 12 Total Productive Maintenance (TPM™) Awards from the Japan Institute of Plant Maintenance (JIPM) in March 2012. JIPM presents awards to companies across the globe that have made outstanding progress in using TPM methodology "to secure marked improvements in productivity, product quality, plant efficiency, environmental performance or organizational."⁹²

Innovation is rewarded and helps promote the Tetra Pak brand both to attract customers and end consumers. The most recent example of this is when the Group was awarded with a Scanstar for its DreamCap™ 26 in October 2012. This is a designed cap for on-the go consumption. "Scanstar" is an annual packaging competition driven by the Scandinavian Packaging Association (SPA). The motivation for the reward is that the Tetra Pak Group makes innovative products that are developed to correspond to end consumer demands.⁹³ Thus, as an additional method to succeed on the market, the Group focuses on final consumer needs and wants. This forward thinking strategy is beneficial in attracting business.

The efforts the Tetra Pak Group has made in protecting the company *trademarks* has been acknowledged in a number of ways. The company enjoys global legal protection and has a strong image. In 2005 the Group was awarded the *Signum prize*.⁹⁴ The key questions in determining the winner include examining if there exists a well thought through and long-term brand strategy and if there is a consistent and clear line of brand exposure. The quality of the company's brand and trademark manuals is explored as well as the extent to which the company has protected and registered their trademarks.

The motivation as to why the Group won the prize are that the company name and brand is well-known within consumer circles, *despite* the firm is primarily being B2B oriented. The Tetra Pak trademark is established within the packaging industry. The company's policies within brand building are advanced with numerous guidance manuals. Tetra Pak makes a large effort in *anti-degeneration* work to avoid wrongful use of the name as a generic term. A central part of this work is to correct the mass media when they misuse marks.⁹⁵ The phrase "Trademark means business" spreads awareness to the problem. The basis of

⁹² Tetra Pak wins 12 awards from the Japan Institute of Plant Maintenance, http://www.tetrapak.com/about_tetra_pak/press_room/news/Pages/JIPMawards_0312.aspx, 27/11/2012. JIPM is a leading organization for production management evaluation and certification and evaluates World Class Manufacturing (WCM) production implementation. The organization aims to reach zero machinery breakdowns, accidents and defects by involving all plant employees in the manufacturing process and integrating maintenance with production. The JIPM TPM awards demonstrate adherence to best-in-class practices and commitment to continuous improvement as a world class manufacturer in terms of controlling and improving the quality, environmental impact and cost of production.

⁹³ Tetra Pak honored with a Scanstar for DreamCap™ 26, http://www.tetrapak.com/about_tetra_pak/press_room/news/Pages/Scanstar_DreamCap.aspx, 14/11/12.

⁹⁴ Signum priset, <http://www.signumpriset.se/bedomningsgrunder/>, 23/11/2012. The Signum prize is granted to Nordic companies *best* managing and protecting their trademarks. The award has been granted since 1995 in association with the event "Varumärkesdagen" translated as "Brand Day".

⁹⁵ Löfgren, p. 8.

brand building lies within the motto of “Protects what’s good”. The main thought behind is protecting good products through adequate packaging. The Tetra Pak Group guarantees consistent quality of packages everywhere in the world.

4.9 Interview with Tetra Pak Employees

As a part of the research on the importance of the corporate brand for the Tetra Pak Group, I conducted interviews with five Tetra Pak employees involved with work within the Group’s brands and trademarks to highlight *internal* efforts within brand work in the company. The subjects are a Trademark Director, a Trademark Counselor and Attorney, an Intellectual Property Assistant, a Brand and Reputation Team Leader and an Online Campaign Striver. The interviews were done in order to gain more insight into the current work done within brand and trademark management at the office in Lund, Sweden, as well as obtain a comparative basis for discussion of the theory. The attitudes and personal opinions of each employee are of interest. Each employee was asked the same set of questions. In the following section I will present a *summary* of the results of the investigation. The detailed interviews with each employee and the specific questions and answers are found in Supplement A on page 76 to page 80.

The subjects shared rather similar views and opinions on the brand. It was generally agreed upon that the brand is a valuable and important asset for the company, with the main purpose of differentiation from competitors. The brand is strong and possesses high value, especially in the perspectives of the customers. Concerning the role of the brand for the overall business success of Tetra Pak, it is extremely important, both affecting and reflecting the company’s reputation amongst its customers. When asked which associations the employee has with the company motto “Protects what’s good”, the following terms were repeated: safety and safe contents, protection of people, including the employees, customers, consumers and society, health, environment as well as social responsibility.

As the interviewed employees work with the Tetra Pak brand, it plays a strong role in their professional lives as they encounter it on a daily basis and it is constantly present. I received a positive impression from the subjects interviewed. They seemed very proud of the brand, promoting it in their daily personal lives and speaking well of it. They believe in the core message and spirit of the brand and purchase products provided in Tetra Pak packages themselves as they truly believe in product superiority in relation to those of competitors’.

Considering if protection and maintenance is promoted on a vertical level from the management of the company, it was often claimed that this is becoming a growing trend and is increasingly recognized. However, it was stated that there is room for improvement within this field and that this type of promotion is not as extensive as it could be. The same was said for recognition of the importance of protection and maintenance of the brand amongst the colleagues themselves on a horizontal level. It is increasing yet is still on a relatively low level. Larger efforts can be made within this field.

The overall view on the future of the brand is bright. The goals of continuously maintaining the strength of the brand is emphasized and prioritized. However, risks are acknowledged in the form of recognizing increasing threats and continuously making efforts to combat these threats. The question on how the employees predict customers' brand image was a tough one to answer, yet it was generally thought of being a positive one built upon a feeling of reliability and trust towards the brand. Assumably, customers have high levels of awareness of the company itself yet not of the different trademarks used. However, the Tetra Pak Group is generally on target with customer relations leading to these customer firms being relatively loyal.

5 Trademark Law and Brand Equity

The *Chicago School* is a neoclassical school of thought that involves the use of economic concepts to analyse legal rules and institutions.⁹⁶ It is associated with a general school known as “Law and Economics” or “Economic analysis of law”. These schools use economic methods in the analysis of law. Economic theories are used to explain the effects of laws and which legal regulations contribute to economic efficiency. According to the theory, the law’s main objective should be to promote economic efficiency and increase overall wealth and social welfare in competitive markets. The school also includes theory on the roles of trademarks in competition. The Chicago School’s theory of trademarks rests on a set of assumptions about the *motivation* and *behavior* of economic actors, including both firms and individuals and the nature of the market in which they operate. The aim is to reflect and predict the actual behavior and decision making of economic actors in the real world and the costs and benefits they gain through law. Assumingly, economic actors act rationally, which means being consistent and aiming at the maximization of their own benefit or return from their actions.⁹⁷

Trademark law and protection of marks through legal regulations as described in section 2.2 is in place to legally protect the exclusive rights of trademark owners to their distinctive marks. Trademark law also provides for preventive and reparative functions. The preventive functions are in place to *defer* third parties from unauthorized acts by incorporating threats of repercussions if they do this. Trademark infringement and trademark dilution are types of wrongful acts committed towards legally protectable marks. The reparative functions are in place to *compensate* the party suffering from infringement or dilution of their marks. Reparation is often done in the form of monetary compensation. The aim of reparation through payment of damages to the suffering party is to *restore* the damaged party to their original condition. Trademark law can be linked to brand equity and valuation of brands, explained in section 3.3. To summarize the brand equity model, the components of overall brand value are brand image, built upon brand association and brand awareness, brand strength built upon brand loyalty and the calculated monetary value of brands.

There is a connection between protection of goodwill in trademark law and brand association building brand image in the brand equity model. There is also a connection between protection of well-known marks in trademark law and brand awareness, also a component within brand image.

⁹⁶ It is based on the economic theory of supply and demand to determine market forces.

⁹⁷ Griffiths, Andrew, *An Economic Perspective on Trademark Law*, Edward Elgar Publishing Ltd, (2011), p. 39.

5.1 Protection of Goodwill and Brand Association

Damages to a mark in case of trademark infringement and dilution include lost sales and lost profits, internal costs, marketing damages and *damages to goodwill*. *Goodwill* brings value to brands and trademarks. This value includes positive connections through good impressions, reputations, feelings, distinctiveness and overall identities of the represented subjects. The value of companies' marks, amongst additional resources such as physical property, capital and other tangibles, constitutes a portion of the *total goodwill value* of the entire company and the overall *brand value*. The effect of damages to a trademark's goodwill is that it can lose its good reputation and attractiveness to individuals. Damages can also lead to loss of distinctiveness. Through loss of distinctiveness, a trademark risks being incorrectly linked to other products or origins through individuals' confusion or wrongful associations. The functions of marks to indicate origin, quality and function can be damaged through infringements.

Likelihood of confusion or wrongful association affects damage to goodwill. Likelihood of confusion is relevant when determining individuals' perceptions' of a product offered on the market. It refers to if the individual is *likely* to be misled or confused by wrongfully exchanging or linking together concepts that have no or very little association. This can be through linking companies, products or brands with concepts with which they have little or no relation. The association may be a negative or a positive one, but must be wrongful. Relevant international regulations applicable to members of the following treaties include Article 10*bis* (3) of the Paris Convention on unfair competition. This article specifically prohibits all acts, which by any means may lead to confusion, or in the course of trade is liable to mislead the public. Article 10*bis* (3) of the convention reads:

The following in particular shall be prohibited: (i) all acts of such a nature to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor; (ii) false allegations in the course of trade of such a nature as to discredit the establishment [...]; (iii) indications or allegations the use which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity of the goods.

Additional international regulation on likelihood of confusion is found in Article 16 (1) of the TRIPS agreement on Rights Conferred. This article states that:

The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.

A competitor that uses a trademark that is *confusingly* similar or identical to an existing trademark can be prevented from doing so. This specific provision controls the minimum rights granted by a trademark. It establishes the exclusive right to prevent all third parties from using a registered mark in commerce without the owner's consent. Third parties are additionally prevented from using identical or similar marks for identical or similar goods, which would amount to a possible likelihood of confusion situation. However, the provision does *not* provide any definition of what likelihood of confusion specifically means. This gives Member States the freedom of themselves defining the concept of likelihood of confusion. Even though the TRIPS agreement does not provide for a definition, it still establishes "likelihood of confusion" as an obligatory requisite for determining infringement.

Within EU law there are two systems in place to regulate trademark protection. There is a system of Community trademarks, valid throughout the Community and governed by the Community Trade Mark Regulation (CTMR). There are also separate systems of national trademarks, each limited to the Member State concerned yet also to a large extent *harmonized* by the Trademark Directive. The Directive and the Regulation were drafted in parallel, and many of the provisions within are similar.

Regulations that *prevent registration* of similar or identical marks are found in Article 8 (1) (b) of the CTMR and Article 4 (1) (b) of the Trademark Directive. Both articles state the grounds for refusal or invalidity concerning conflicts with earlier rights. In the CTMR the restrictions are based on opposition by the original trademark. Both articles state that registration is not allowed:

- (a) if it is identical with the earlier trade mark and the goods or services for which registration is applied for are identical with the goods or services for which the earlier trade mark is protected;
- (b) if because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trade mark.

Regulations on *trademark infringement* are found in Article 9 (1) (b) in the CTMR and Article 5 (1) (b) in the Trademark Directive. According to these articles, basic protection is afforded by EU trademark law. This protection is absolute and applies especially to double identity cases. These cases are when there exists similarity between a mark and a sign and an identity between goods or services. It is also when there is identity between a mark and a sign, but only similarity between the goods and services. It is even enough with similarity between the mark and the sign and similarity between the goods and services. *Likelihood of confusion* is the specific condition for such protection. Both articles state rights conferred by a Community trademark or by a trademark, respectively. The Community trademark/ registered trademark grant exclusive rights to the owner. The owner is allowed to:

prevent all third parties not having his consent from using, in the course of trade, any sign where, because of its identity with, or similarity to the Community trademark/ trade mark and the identity or similarity of the goods or services covered by the Community trademark/ trademark and the sign, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trademark.

Decisions of the European Court of Justice (ECJ) have played fundamental roles in shaping the trademark system in the EU. The Court has interpreted the concept of likelihood of confusion on a number of occasions through the Directive and the CTMR. Uncertainty lies in *how much association is necessary to cause likelihood of confusion*. The ECJ has stated that if the association between the marks causes the public to wrongly believe that products originate from the same or economically linked companies, there exists a likelihood of confusion.⁹⁸ In likelihood of confusion cases under current law as interpreted by the ECJ, the *origin-indicating* function of the trademark is infringed. The risk is that the public may attribute the same origin to the goods or services. Article 5 (1) (a) of the Trademark Directive is applicable when the origin function of a mark is threatened, but not other functions. This article states rights incorporated through a trademark. It explains that:

1. The registered trademark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:
 - (a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;
 - (b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark.

According to the ECJ, there are three types of likelihood of confusion. These are, firstly, *direct confusion*, which is confusion between the marks themselves. Here, confusion is inevitable since the differences between the marks and the goods are so small that there is a risk that the public will either not notice them or forget or disregard them. Thus, they may confuse the marks *directly* by mistaking one for the other. The other situation is known as *indirect confusion*. This is when there is no confusion between the marks themselves but confusion as to origin of the products. Here the public makes a connection between the owners of the sign and those of the mark and confuses them. The third situation is when the public considers the sign to be similar to the mark and perception of the sign calls to mind the memory of the mark. However, in this case the two are *not* confused. This last case is referred to as likelihood of association in the strict sense.⁹⁹

The Court stressed in the *Sabèl v Puma* Case that the concept of likelihood of association is *not* an alternative to that of likelihood of confusion. In the *Adidas Case*¹⁰⁰ the Court added that the likelihood of confusion can never be assumed from simply likelihood of association, even in cases involving earlier reputed marks. Therefore, if perception of one mark simply brings to mind the *memory* of the other, but the public remains aware of their differences and do not believe

⁹⁸ See judgment of 10 September 2008 in Case T-325/06 *Boston Scientific v OHIM – Terumo (CAPIO)*, not published in the ECR, paragraph 70 and the case-law cited; see also, by analogy, Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 29, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 17. ECJ case C-39/97 *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.* P. 29, 30; C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 17, and Case C-533/06 *O2 Holdings and O2 (UK)* [2008] ECR I-0000, paragraph 59; INTEL, para. 57.

⁹⁹ Case C-251/95 *Sabel BV v. Puma AG*. [1997] ECR I-6191, par.16. (Sabel).

¹⁰⁰ Case C-425/98 *Marca Mode CV v. Adidas AG* [2000] ECR I-4861 (Adidas).

that the goods and services in connection with which the mark is used may have the same origin there is no likelihood of confusion.

To conclude, the public's association between two marks in view of certain common features is not enough for the purposes of establishing a likelihood of confusion. However, in many cases the overlaps between the marks may be sufficient to suggest a common origin even where one mark is not mistaken for the other. The ECJ has stated that association is a form of confusion and is not an independent concept.

Applicable regulations in Swedish law include Chapter 1 (10) on exclusive rights and likelihood of confusion and Chapter 2 (8) on national registration of trademarks.

The strength of the relationship between a mark and the product it represents determines the strength between the relationship of the mark and *other* players on the market. This relationship also determines if confusion can exist or not. The *way* a mark is promoted and sold and the geographical *locations* in which it is sold affects the likelihood of confusion. Additionally, the sophistication of the purchaser, such as if it involves an impulse buy or a carefully thought through purchase and if the buyer is informed determines the risk of being misled or deceived.

The mark itself also has an impact on confusion. The name can be a generic term for the product. It can be a descriptive word indicating characteristics of the product. It can even be an arbitrary term such as a random or common language word that has little or no meaning for the subject it represents. The mark can be imaginary name with no meaning at all.

Determining likelihood of confusion may affect the strength and protectability of the mark. It is often easier to defend marks that are arbitrary compared to descriptive terms. The actual type and characteristics of products also affect the protectability of it. The likelihood of confusion rises as similarity of the products rise. The concept of confusion is dynamic, complicated and subjective. Yet when determining if it is present or a risk of likelihood of confusion exists, the reasonable and rational common buyer is taken into account.¹⁰¹

There is a connection between the value of a trademark and brand and the amount of payable compensation possible during trademark infringement. This can be exemplified by looking at a court's calculation of goodwill damages in this type of case. The value of the trademark is relevant when courts must calculate compensation damages as a form of reparation. Calculating goodwill damages is best done through *estimating values*. This is because there do not exist precise calculation models to determine exact figures of damage to goodwill. Calculating these damages are challenging as one must observe subjective values. The market value of legally protectable trademarks may affect the numerical amount of damages to be paid by a potential infringer. The amount of damages paid should be correlated to the estimated value of a brand. In

¹⁰¹ Braunstein, Joshua, *Creating, Protecting and Defending Brand Equity – Part 1, May 02, 2011*, http://www.circleid.com/posts/creating_protecting_and_defending_brand_equity_part_1/, 11/12/2012.

Swedish law, chapter 8 of the Trademarks Act (2010:1877) enforces reparations through §1. This is in the case of if somebody infringes the exclusive rights of a trademark through willful intent or high negligence. The possible sanctions are either penalties through fines or prison for two years. The crime may only be prosecuted if plaintiffs makes claims in court or specific circumstances exist to support it from a general public point of view.

To summarize the link between protection of goodwill and brand association, goodwill incorporates a positive reputation. The positive reputation is negatively affected when there exists a risk of individuals confusing or wrongfully associating a mark, in which goodwill is incorporated, with a non-related subject matter. Brand association is the mental link that individuals have in their minds towards a brand. This mental link builds value as it affects thought processes in individuals' minds which influence their actions. The benefit of the mental link is the positive reputation.

5.2 Protection of Well-known Marks and Brand Awareness

Well-known marks are protected, irrespective of if they are registered or not. There is no commonly agreed detailed definition of what constitutes a well-known mark. However, guidelines to determine if a mark is well-known exist and are provided by WIPO.¹⁰² Characteristics including degree of knowledge or recognition in the relevant market, use, promotion, registration, enforcement of rights and values associated with the mark help determine how well-known it is.

Being well-known suggest a certain level of awareness. The link between a well-known mark protected through trademark law and brand awareness constituting a sub-component of brand equity is relevant. Both relate to individuals' levels of recognition, recall and familiarity. These perceptions create establishments to form connections in peoples' minds.

Protection of global trademarks is done through the "well-known trademark" status that is granted to well-known international trademarks through Article 6 bis of the Paris Convention. The article states that:

(1) The countries of the Union undertake, *ex officio* if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

(2) A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested.

(3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith.

¹⁰² WIPO Joint Recommendations on the Protection of Well-Known Marks.

The TRIPS agreement and regulations in the CTMR and EU Trademark Directive refer to applying Article 6 bis of the Paris Convention. Article 16 (2) of the TRIPS agreement states that:

2. Article 6bis of the Paris Convention (1967) shall apply, *mutatis mutandis*, to services. In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.

Article 8 (2) (c) in CTMR on relative ground for refusal of registration includes as an “earlier trademark” well known trademarks as are used in Article 6bis of the Paris Convention. Article 4 (2) (d) in the Trademark Directive on further grounds for refusal or invalidity concerning conflicts with earlier rights also uses this description of earlier trademarks:

Trademarks which, on the date of application for registration of the trade mark, or, where appropriate, of the priority claimed in respect of the application for registration of the trade mark, are well known in a Member State, in the sense in which the words ‘well known’ are used in Article 6 bis of the Paris Convention.

A relevant case where the meaning of *unfair advantage* taken on a well-known mark was highlighted by the European Court of Justice (ECJ) is the *L’Oreal v. Bellure* case.¹⁰³ The defendant was selling imitation perfumes of the well-known company, L’Oreal, brand’s version. Firstly, the ECJ observed whether the use of registered word marks fell within Article 9(1) (a) of CTMR and Article 5(1) (a) of the Trademark Directive. These articles concern rights through a Member State trademark and a Community trademark, respectively, on identical marks and identical goods. Both articles state that the registered or Community trademark shall:

confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the trade mark / Community trademark in relation to goods or services which are identical with those for which the trademark/Community trademark is registered.

The court also considered *infringement* under Article 9 (1) (c) of CTMR and Article 5(2) of the Trademark Directive. These articles state, concerning trademarks in Member States and Community trademarks in the Community, respectively, that:

any Member State/Community trademark (shall confer on) may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trademark/Community trademark in relation to goods or services which are not similar to those for which the trademark/Community trademark is registered, where the latter has a reputation in the Member State/the Community and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trademark/ Community trademark.

The *functions* of trademarks were considered in this case. The ECJ stated that: “an advantage taken unfairly... (arises) where (a third) party seeks by that use to

¹⁰³ *L’Oreal SA v Bellure NV* (C-487/07) [2009] E.C.R. I-5185 (L’Oreal).

ride on the coat-tails of the mark in question in order to benefit from the power of attraction, its reputation and its prestige, and to exploit, without paying any financial compensation and without being required to make efforts of his own in that regard, the marketing effort expended by the proprietor of that mark in order to create and maintain the image of that mark”.¹⁰⁴ The court concluded that any unfair advantage gained from the promotion and sale of imitation products leads to trademark infringement. Free-riding is gaining unlawful benefits through another company’s efforts.

To conclude, third parties use of well-known marks risk liability if functions of the mark are affected. Protection is important since a mark is an investment and thus constitutes value. Being well-known entails enjoying some degree of reputation. This can be harmed if unfair advantage is taken on the mark. Concerning Article 5.1a of the Trademark Directive, it can be questioned if this article is overprotective since trademark owners enjoy protection *regardless* of reputation of the mark or which functions are threatened therein. The ECJ broadened the scope of protection of a registered and reputed trademark in the L’Oreal case to cover *free-riding* on an owner’s investments.

The judgment of this case helped set the parameters of the level of protection that EU law will apply to qualities of well-known marks in circumstances where there is *no* customer confusion. The court ruled that unfair advantage involved “cases where by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign there is clear exploitation ... of the mark with a reputation”. The strength of the original mark’s reputation and how distinctive it is and the similarity of both the marks and the products involved are applicable factors to determine unfair advantage.

¹⁰⁴ *L’Oreal SA v Bellure NV* (C-487/07) [2009] E.C.R. I-5185, section 81 (1).

6 Analysis

Brands build companies.

6.1 Is branding successful?

Companies wish to reap the benefits of the time, money and other investment efforts placed into brands. These efforts include research and marketing efforts that build goodwill for them. If a company's brand is used in an unauthorized way, for instance as a synonym for a product that they manufacture, there is a large risk that the mark in question will lose its distinctiveness and its value. All individuals are essentially allowed to refer to the brand *correctly* to indicate what it represents. The consequences of misusing a brand name as a generic description of a product are degeneration of the exclusivity of the mark and huge economic losses. Furthermore, if a brand becomes a generically descriptive term, competitors may use it or be wrongfully associated or confused with the term. A company's promise and what they stand for will be harmed and wrongful associations may lead to damage to a company's overall goodwill. Unfair advantage and likelihood of confusion and association is regulated in law. In order to maintain companies' business incentives and fair and free competition on the market, working with brands is important.

The concept of brands is wide, incorporating both concrete and abstract symbolism for distinct and individual subjects in need of overall representation. Branding *can* be successful. If done properly, branding is one of the most valuable assets that a company, either B2C, B2B or any combination thereof, benefits from. However, branding is not a trivial project. It is a long term and complex investment that companies need to place extensive amounts of time, money and creativity in. Innovation, patience and perhaps elements of luck are important to build successful brands. It is not enough to briefly think of a name, graphic image or motto and expect to have created a successful brand. It should be noted that the actual *methods* companies go about creating brands differ. What works for one firm may not be applicable for another. Once an established brand successfully satisfies its functions by creating an overall identity and personality as well as contributing to business profits for a company, the branding efforts can be deemed successful.

Defining what a strong brand is not simple. A *strong* brand is a combination of a number of factors. By observing the components of the brand equity model and relating all perspectives of brands with each other, one can *estimate* the strength of a brand. As has been emphasized in the theory, strength is derived from *loyalty*. Without willing and able purchasers of what the brand represents and offers it simply cannot exist. It is more than the reputation or goodwill of the brand and what it stands for, it is the actual *behavior* of buyers in relation to products offered by companies and represented by the brand that matters. It is the demand to satisfy needs and wants that drive behavior. Brands, through their psychological influences, affect these behaviors.

Cooperation and engagement within firms both through internal and external efforts are key methods in building a strong brand. Employees within firms need to work together to create innovative brands. Yet, they must not neglect preserving these brands through renewing them and using them correctly. Simply put, it is not only the responsibility of the CEOs, trademark directors and managers of companies to maintain brands but everybody involved with the firm who play important roles and should contribute to building strong brands. One suggestion is that a firm should aim to maintain a small brand portfolio, focusing on few yet strong brands. This is so that more emphasis can be placed on building a small number of more important brands. In my opinion, a valuable method to build strong brands is by effectively investing in involved individuals. This can be done by spreading awareness to them through informing and educating them within brand management.

When building a strong brand, the following guidelines can be useful to consider. The brand should suggest something about the benefits, qualities and general characteristics of the subject it represents. It should be easy to recognize and remember. The brand should serve the purpose of differentiation and provide for a competitive advantage. The name should be simple to pronounce, and therefore, short names may be the most beneficial. The brand should be graphically distinctive and extendable in the future. An advantage exists if the brand name can be translated into foreign languages. It should not infringe on existing trademarks so that the registration of marks and legal protection is possible.

6.2 How are brands charged with value?

Brand value has over the past decades become a growing concept and point of interest. This is due to the previous lack of research done within the field yet the obvious importance of it. Tangible assets and monetary figures, such as sales numbers and customer opinion can be measured and calculated to produce numbers on balance sheets. These figures indicate brand value. However, *overall value* and *brand equity* also incorporates potential future sales profits as well as intangible factors that cannot be measured in numerical figures, such as customer and consumer perspectives, emotional and psychological related aspects and goodwill. Due to this, accurate measurements of actual overall values of brands do not exist today. This does not challenge the argument that brands *are* valuable, regardless of if the value can be measured accurately or not. Brands serve to symbolize many components, including company groups, goods and services offered by the companies and the morals, ethical values and promises found within these. As stated in the introductory stages of the work, brands are guarantees and they serve to fulfill involved actors' expectations. They incorporate peoples' beliefs and states of mind. Just like concepts such as religious faiths and personal worth cannot be measured in numbers, the same can be said for brands. The fact that these concepts are important to individuals means, in much the same way as can be argued for brands, that they are of great value despite not being measurable. Brands are charged with value through simply meaning something fundamental to people. Simply put, when a brand matters, it is charged with value.

Efforts that affect monetary brand value can be divided in internal and external factors. The company controls the internal aspects whilst the external effects play out on their own.

Internal efforts that affect brand value involve making it distinctive through creative and innovative work, resulting in special and unique marks. Effective marketing and advertising techniques used to make the brand public are also done on an internal level. Applying for legal protection to it is yet another effort affecting brand value. Brand value can be created when the company engages in branding projects. External issues that influence brand value include dynamics and development progress on the market in which the brand is active.

In my opinion, brand value is best created through research and investigation on the current relevant market in which the brand is to be active. How other players act, individuals' demands, prices, competition and general trends on the marketplace are important to observe. Afterwards, creativity and innovation efforts to establish the foundations of the brand should be done. Time and monetary investments placed in the brand to develop it should be prioritized and completed thoroughly. Core values and purpose should also be incorporated. Graphic symbolism of the brand should be created and marks, logos and mottos should be registered to become trademarks and enjoy legal protection. Once the brand has been created and the company is satisfied with the result it needs to reach out to other players on the market through effective advertisement and promotional activities. Yet the brand owner is not finished here. The brand must not be neglected as other distractions come in between. Instead it must be maintained carefully and nurtured through occasional renewal and revival efforts. Brand owners should also not be oblivious to the fact that markets change over time and that popular trends come and go. Competition changes and active players are not constant. Thus it is wise if brand owners stay aware of influences and impressions on the market places and are prepared for potential changes. It is crucial that the brand serves its purposes and is useful at all times. Thereby the value of the brand is created and maintained. Brands create the value of the subject matter, not the other way around.¹⁰⁵

6.3 How do components of brand equity build brand value?

The real value of a strong brand is its power to capture consumer preference and loyalty.

Humans are intelligent beings able to create mental lines of thought. They can reason and conduct thought processes. Through these mental processes individuals can make active choices and decisions. Therefore, appealing to the minds of people is fundamental in building brand value. Regardless of if individuals are acting within their professional lives as B2B employees or in their personal lives as B2C consumers, the natural psychological characteristics are determinant. Customer brand awareness is divided into different levels of individuals' mental perceptions starting from the bottom as being unaware of the

¹⁰⁵ Kotler, Philip & Pfoertsch, Waldemar, *B2B Brand Management*, Springer Berlin Heidelberg, (2006), p. 13.

brand, to recognition, to recall and finally to the brand being a top of the mind brand. Customer memory is the key tool in this respect. Brand awareness builds value as it provides the main *foundation* for further mental associations to be made to a brand. By providing the individuals with the initial feeling of familiarity and liking, value is created, as establishment of thoughts and feeling influence actions. Brand awareness is a sign of presence, commitment and substance. The logic behind these signs is that if a name is recognized, there should exist an underlying reason as to why this is. These reasons may include that the brand has been advertised extensively, been in the business for a long time, is widely distributed and is successful because others use it.

Brand association is the mental link that individuals have with a brand and is based on their perceived quality of the brand. The more positive association that customers have in their minds with a brand and what it represents, the higher the value of the brand is. This is again because the opinions and emotions that individuals have affects how they act. Association is the emotionally charged connection or relation between the individual and the brand. It does not necessarily have to be based on the truth. It is the mental link of evaluation to a brand. Individuals that think positively about something are likely to want to be involved with it. This contributes to building value.

Brand image is the combination of individuals' levels of awareness and association. It constitutes what individuals *overall* think of a brand and the impressions that they have which they then connect with the brand. It is built upon how well they recognize it and how they perceive the quality that is promised by the brand. It brings value to the brand as it gives purchasing individuals a reason to connect with the brand.

Useful guidelines and theoretical generalizations are and should continuously be used by companies when positioning a brand despite the uniqueness and individuality of them. Much can be gained from observing the brand equity model and remembering the strategies used to attract awareness and association as well as portray an attractive appeal to all involved parties. The theory is applicable in most situations and may only need simple adjustments considering the nature of the brand. Additionally, as can be seen in much doctrine within this subject, historical success stories of strong brands are interesting to consider and provide sources of inspiration for brand owners. Company managers and CEO boards should be committed to branding programs and take initiatives to create guidelines to inform other actors within the firms to spread awareness on the importance of the issue. Currently there room for improvement in this area as company managers are not confident enough defining brand associations and the strengths of these. Knowledge within brand awareness is statistically low. Actual measurements on how recognizable brands are lack in research. There is no systematic, reliable or sensitive measure of customer satisfaction and loyalty and no indicators of the correlation between a brand and long-term success of a business to evaluate the brand's marketing effort. Additionally, there seldom are responsible individuals in firms charged with protecting the brand equity. Companies should invest in brand equity managers, responsible for protecting brand equity as well as measuring the brand equity periodically. This will lead to increased improvement possibilities and brand strength. As was mentioned in introductory stages of this work, many large European companies do not take

intellectual property seriously, and have not formulated intellectual property strategies. In order to improve competitive positions, companies should manage and improve their intellectual property strategies.

6.4 B2B Company Investments

“How does a company ensure that when it invests in developing new technology, products and services, the brand it builds to sell that product will have long-term staying power and produce a greater return on investment?”¹⁰⁶

A general assumption I have is that the more effort a company puts into its brands, the more valuable it will become. This effort does not have to involve extensive amounts of time spent or huge sums of money used. It involves, in my opinion, the skill and creativity in how a brand is initially created and then portrayed. The visual design of it, the textures, colors, shapes and so forth contributing to a feeling of appeal makes it attractive to purchasers. The way the brand is portrayed furthermore contributes to the way it is perceived. I am certain that companies that take branding strategies seriously have much to gain. The ways they invest in brands *cannot* be generalized since it essentially depends on the *type* of business the company is involved in. It must be remembered that every brand is individualized and unique and thereby function in different ways, just like people. So, what works for one company in their brand strategy may not work for another. Generally, companies' investment do pay off, the proof being higher competitive advantages, goodwill, increase sales and surviving on the market for an extensive period of time.

B2B brands are valuable as they reflect the amount of investments a business has placed into them such as time, funds, R&D and further creative methods. They are also valuable in communicating information about a company and its offerings, such as origin, quality, price and purpose. These values affect purchasing decisions within B2B transaction situations as they affect the individuals acting on behalf of business undertakings. Brands provide a form of security during rough times. For instance, if businesses experience tougher market dynamics, a brand can contribute to attracting and maintaining purchasers. It is undisputable that brands are very much linked to feelings and emotions providing guarantees and promise and thus entail subjective and psychological characters. This is naturally important on the B2C markets, as individuals purchasing for personal uses engage in complex thought processes when buying a product, as well as feelings of personal image, belonging, status and lifestyle play a role in the decisions they make. These emotional aspects are not exclusively found in these markets however, as it must be remembered that physical people stand behind the business transactions that take place on the B2B markets. Therefore, brands are crucial in *any* transaction situation where human beings are involved.

¹⁰⁶ Chasser & Wolfe, p. 2.

6.5 The Value of the Tetra Pak Brand

Is the Tetra Pak Group a brand oriented company?

Reflecting upon the discussion of the Tetra Pak brand, it can be stated that the company *does* realize the importance of building the company brand and creating value for it. The Group makes substantial efforts to promote, renew and protect the brand and trademarks. Some of the methods used to go about these tasks are specifically directed at brand building, whereas other activities merely affect the brand, even without this being the primary purpose.

Even though many businesses do not measure their intellectual property performance effectively and that performance metrics are not widely used, those that do use them find them valuable.¹⁰⁷ The Tetra Pak Group highly values its brand and legally protected trademarks. Efforts are made to use the motto seriously and meaningfully, living up to the promises made through it. Weight is also put on protecting it from increasing threats of infringement. Any type of infringement case in which the Tetra Pak Group has been involved has been dealt with as professionally and discreetly as possible. The Group promotes correctly using the trademark names to avoid them becoming generic.

Focusing on the issues of environmental and sustainable development, the Tetra Pak Group's efforts are done continuously. These are current affairs that matter. They result in positive brand building. It has become a modern phenomenon due to vast expansion rates over the past century and the increasingly apparent effects of climate change. Large global industries must acknowledge their roles in limiting harmful influences on the environment. They must incorporate it as a very serious topic within their business. If they fail to do this and this becomes public knowledge, their reputations and goodwill will be damaged. Few actors within production and distribution chains wish to obtain a repute linking them to harmful and immoral acts. As was discussed, information obtaining methods are rapid and widespread. Therefore, it can be enough with a presumption or rumor to spark queries on the 'cleanliness' of a company. Once the goodwill of a company is damaged, repairing it can prove extremely difficult, as individuals' mindsets, impressions and connotations with the company and its brand must change. This is not a simple task to achieve. Thus, for *continued* economic success, the Tetra Pak Group's consistent investments within the fields of environmental protection, nutrition and sustainable development are rewarding methods both within long term and short term perspectives. As a large international packaging firm, it is not unheard of that a company like the Tetra Pak Group is accused of contributing to extensive environmental damage. However, the more the company promotes efficient climate policies, preventive actions limiting pollution and destruction of forests, increased recycling possibilities and above all, openness and awareness of the problems at hand, the higher the levels of appreciation and better reputation the company will enjoy. Additionally, using the motto frequently and placing strong meaning behind it, where the Group literally means what it promises, will remind individuals of the company values. Advertising within this field to further increase awareness will assist in this mission, by maintaining the Tetra Pak website as well as avoiding

¹⁰⁷ The DLA survey, (2004), p. 20.

any type of unnecessary publicity upon unbeneficial news. Consistently doing the right thing is the best strategy of success.

The ways in which Tetra Pak creates awareness for its brand is thorough. However, improvements and development opportunities are continuous. Supporting, protecting and renewing the brand and not neglecting it will help it survive the tests of time in a satisfactory manner. Increasing awareness through a good reputation, so that customers will take an interest in engaging in business activities with the Tetra Pak Group is a beneficial activity. Doing this through highlighting issues that are of current importance is the way to go about this task.

6.5.1 Interview Results

The results of the interviews conducted with employees at Tetra Pak provide for some interesting conclusions. In my view, these conclusions support the theory presented as well as my own analysis. As the interviewed employees commonly agreed upon, the Tetra Pak brand is an important and valuable asset for the Group.

An interesting point is the question of if protection and maintenance of the brand promoted by managers at Tetra Pak, on a vertical level. As was generally claimed, efforts have been made yet there is still much potential to develop within this field. This links back to the original purpose of the essay, to explain how and why brands are important on B2B markets and prove that the efforts and investments done by B2B companies placed into branding pay off. Managers in charge need to recognise these facts more and not hesitate in building, maintaining and protecting corporate brands.

A method to establishing an accurate overall value of a brand has not yet been achieved. Through continuous work and research within the field, there is a possibility of obtaining this kind of measurement in future.

6.6 The Intercorrelation between Legal Protection and Brand Equity

Damages to a trademark affect the overall value of it. The level of protection of a trademark affects the overall value of it. The overall value of a mark affects the amount of protection it enjoys through law as well as the amount of compensation paid in case of damages.

There is a significant interrelation between legal protection of brands and brand equity. The *protection* of distinctive marks is fundamental when introducing products to market. This is in order to differentiate that company and their products from other products on the market. Within the field of marketing and competition, the goal of the product owner is to promote and sell to local, regional and global customers. Brands are overall identities, communicating promises to other individuals on the market. They create value, build and protect equity, and become core to the product's reputation and goodwill on the market. Brands themselves are too wide to gain legal protection, simply because they are

intangible assets involving numerous aspects that are difficult to assess specifically. However, they can be symbolized through graphic marks, words, logos, mottos and combinations thereof that *can* gain legal protection and thereby become trademarks. By claiming and obtaining trademark rights, a brand owner asserts that an *understanding* exists between their mark and other actors. It is distinctive and unique, associating with specific offering on the market. The players on the market use trademarks to identify and differentiate their products. This purpose of identification and differentiation fails when the trademark is not sufficiently distinctive from others, *or* when a third-party infringes or dilutes the exclusive rights to the trademark held by the owner. This results in likelihood of confusion or wrongful association between offerings. Misleading and deceiving individuals conflicts with free market regulations, thereby disrupting competition and balance within the market economy.

Trademark laws facilitate the use, registration and protection of marks. The importance of having a recognizable name on the global market has grown yet the risk of infringement has also increased. While it is easier today to create global brands due to larger communication possibilities and increased mobility, the challenges involved in protecting the equity they create has become more frequent. Trademark disputes affect commerce. The issue of protecting brand equity is crucial for companies worldwide and should be prioritized in their market strategies. Trademark disputes often consider whether customers and consumers become confused or make wrongful association as well as if unfair advantage has been taken on the efforts made by the rightful owner of the mark. Trademarks do *not* have to be identical to cause confusion. It can simply involve confusion or association as to the origin of products or that they are wrongfully assumed to be related to or linked with each other or another brand. Disputes can also arise over whether a certain term is generic or descriptive, meaning that it is too general or commonly used for one company to claim exclusive rights over it. Likelihood of confusion can be a very subjective assessment as it depends on individuals' mental perceptions. The real and perceived threats to overall brand equity are challenging to assess accurately. The effects of confusion, wrongful association, customer and consumer deception and dilution of the mark are negative upon the overall brand value.

Applying this theory on the interrelation between the Tetra Pak brand and legal protection, my analysis on the subject is that the better known a brand, the less protection is actually necessary. This is because the brand is large and stable. Competing firms will not have the ability to infringe it without repercussions. Stable customers view the Tetra Pak Group as a natural choice to engage in business. However, the global economy is changing. What was once considered a safe market for the Group as a major player within is being threatened. Aspects such as quality of competing products and effects on the environment are being compromised. The Tetra Pak Group must find ways to defer the threats and maintain its brands. I believe that since customers are a very determinant group in these cases, continuous efforts must be made to maintain existing ones and increase awareness amongst potentials. Likelihood of confusion and association risk when competitors create similar packaging solutions is common on the packaging market. This is because packages themselves are functional objects that no one can have an exclusive right to. Thus, appealing to customers firms through the methods discussed is crucial to remain successful.

6.7 Management of Brands

“The brand is a strategic asset that is key to long-term performance and should be so managed.”¹⁰⁸

Management of brands means building, protecting, maintaining and developing the components and subcomponents of overall brand equity. Managing brands essentially involves developing strong brand positions. A strong brand position entails a high level of overall brand equity. Brands are vital assets to firm and assist in increasing competitive advantages on the market. Brands promote company development and growth, providing an identity for them to establish vital customer relations. They are important factors of business strategy and significant affairs for CEOs of firms¹⁰⁹. Due to the fact that assets create competitive advantages, efficient management of brands has become strategic and visionary. As long term goals of building strong brands which can generate future payoffs, they are aimed to be actively managed. Management of brands involves investments to create and enhance the value of the assets that build up brand equity.

The issues present within the topic of managing brand equity are vast. How a brand should be managed over time and which actions will meaningfully affect the elements of equity erosion and marketing possibilities is a complex discussion. Firms should prioritize brand management and manage their brands in a careful manner. It is beneficial if the brand’s positioning is communicated to the customers continuously. Therefore just like spending large amounts of money on advertising, companies must carefully manage these other contacts and touch points.

A company needs to develop brand equity past a certain point in a customer's conscience before it becomes effective. The customer or consumer may be exposed to the brand in various ways and gain various levels of recognition of it. This threshold effect complicates the valuation of brand equity because the equity can suddenly go from low to high value.

If the customer is satisfied with a specific product as a result of a successful influence from a brand, this customer may choose to further engage in business with the owner of the brand, creating loyalty and worth.

¹⁰⁸ Aaker, *Building Strong Brands*, (1996), p. vii.

¹⁰⁹ Aaker, David A., *Strategic Market Management*, John & Sons, Inc., (2008), p. 157.

7 Conclusion

The thesis has illuminated some central issues within brand equity on the B2B market using the multinational B2B company Tetra Pak as an empirical case study to exemplify and concretize theoretical assumptions and conclusions.

The purpose has been to explain how and why brands are important on B2B markets and prove that the efforts and investments done by B2B companies placed into branding pay off. The hypothesis was that establishment of customer brand awareness and maintenance of positive brand association builds a strong brand image, which in turn contributes to increasing and concretizing customer loyalty towards a brand, leading to brand strength. This ultimately leads to a competitively durable and valuable brand. The hypothesis has been proven to be true.

Brands are the overall promise of what to expect. Trademarks are legally protectable graphic symbols. They identify, provide information about and differentiate subjects they represent. By providing for competitive advantages, brands are valuable business tools. Yet it is hard to define exactly how valuable they really are. By observing brand perceptions like levels of brand awareness, association, image, loyalty and strength, a more accurate estimation of value can be established. The perceptions apply to all individuals, both on personal and on professional levels. Complex human nature inevitably affects all decision making processes of the mind. Therefore, brand management is equally important on B2C and B2B markets.

Goodwill and positive reputations are important to develop brands. Legal protection is necessary to protect goodwill and reputation. Likelihood of confusion of similar and identical marks and taking unfair advantage on well-known marks harm the overall value of brands, as damage is done to brand association and brand awareness. Competition law, intellectual property law and trademark law provide legal regulation, protection, prevention and reparation. Due to the extensiveness of global competition, providing for complete protection is near to impossible. However regional efforts and international treaties provide for a step in the right direction.

Brand awareness and association combine to create a brand image, based upon individual's impressions and thoughts of a brand. This affects how they behave towards the brand signifying their levels of loyalty. The higher level of loyalty expressed, the stronger the brand is said to be. This in turn creates a valuable brand.

Brands are important on B2B markets. The more emphasis B2B companies place into brands, the better these will be at differentiation, communication and attraction in relation to other market players. This ultimately determines their success on the market. Strong brands result in long-term productivity and success on the market. They strongly influence business relations, which affect economic successes of companies. The global economy is impacted by the quality of competitive markets.

Supplement A: Tetra Pak Employee Interview Results

Interviews conducted on the 14th of December 2012 at the Tetra Pak main office in Lund, Sweden.

1. *On a general level, how do you, as an employee at Tetra Pak, view the corporate brand? How strong do you estimate that it is? How valuable do you estimate that it is?*
2. *How important do you believe the brand is for the overall business success of the company?*
3. *Which associations do you have or make with the Tetra Pak motto “Protects what’s good”?*
4. *What does the brand mean to you, on a professional level, at the office during your working hours? Does it affect your decision making processes?*
5. *What does the brand mean to you, on a personal level, during your free-time outside of the office? Does it influence aspects of your daily life?*
6. *Is protection and maintenance of the brand promoted by managers at Tetra Pak, on a vertical level?*
7. *Is protection and maintenance of the brand recognized amongst the employees, on a horizontal level?*
8. *If you were to predict the future of the Tetra Pak brand, what would you say? Is it likely to remain strong or does there exist a risk that the brand may be weakened due to current and potential future threats?*
9. *What is your comment on the image that Tetra Pak customers predictably have on the brand?*
10. *What, in your opinion, is the level of customer awareness of the brand? Which associations do you think they may have with the brand? How loyal do you think that the customers are to the brand?*
11. *Do you have any additional comments on the Tetra Pak brand?*

A) Trademark Director Anna-Lena Wolfe

- 1) The brand is a valuable asset, especially on the increasingly global market. It is our means to differentiate our products from those of the competitors.
- 2) The brand has a very strong reputation and a strong brand value. There is no exact numerical monetary measurement of the brand value of the Tetra Pak brand. Yet, the best measurement of brand value is customer loyalty, reputation and recommendation.
- 3) The brand is extremely important for the overall business success of the company. The values within a company are not limited to the hardware production, services and tools, but additionally incorporate soft values. The brand captures everything, both the tangible values and the soft values.
- 4) The associations made with the motto “Protects what’s good” are delivering food safely to consumers. Protecting food, people, both on an internal and an external level, as well as the environment is incorporated within the motto.

- 5) On a professional level, the brand plays a role in everything that is done and all decisions that are made. The way in which the efforts made can create a stronger brand is continuously considered. All employees are ambassadors for the brand and for the company on the whole in everything they do. The brand is the promise and the aim is to fulfill this promise in all ways possible.
- 6) The brand definitely plays a big role in the personal life and affects decisions making processes during the daily life. One feels proud of working at Tetra Pak and is proud of the products and of the brand. Therefore, it is natural to talk well of the company.
- 7) Protection and maintenance of the brand is a high priority on the management's agenda. As competition is growing, managers are taking the issue more and more seriously, as they are realizing that the more competition increases, the higher the importance of brands and trademarks becomes.
- 8) Concerning if protection and maintenance is recognized amongst colleagues on a horizontal level, it is thought to be the case. Colleagues may speak about it amongst themselves. Promoting brand protection and maintenance occurs through engaging other individual and being positive about the brand. Incorrect usage of the brand is usually a result of unawareness and often not done on purpose. Most employees are proud of the brand and wish to support it. So in the event of mistakenly speaking about it in an incorrect way, this is usually due to lack of information.
- 9) Considering the predicted future of the Tetra Pak brand, threats are likely to become stronger. This is because the larger the company becomes, the stronger competition they will encounter. However, as a personal goal for the efforts made within the brand, the brand will become stronger.
- 10) The image that Tetra Pak customers have of the brand varies from country to country, and depends on if one is regarding a third world developing country or a developed country. It also depends on if the customer is looking to purchase packaging material or processing material. However, when considering reputation surveys, it can be concluded that Tetra Pak is on target with what the company wishes to communicate to customers.
- 11) Customer awareness of the actual marks and brands is predictably relatively low. However, customer awareness of the company itself is high. Customer association and loyalty is on target and the Tetra Pak Group does a good job in communicating quality.

B) Trademark counselor/attorney Anna Lauridsen

- 1) The brand is of course an important asset, including the company name itself and the trademark.
- 2) The brand is a strong one, especially for customers. The brand is very valuable and is one of the most valuable assets for the company.
- 3) The brand is very valuable for the business success of the company.
- 4) "Protects what's good" incorporates protection of the environment and health and that the contents of the package are safe. The aim, highlighted through the motto, is to protect consumer drinks within the package.
- 5) The brand plays a very important role in the decision making process as a trademark counselor and attorney works with it every day.

- 6) On a personal level, the brand is also important in the decision making processes.
- 7) Protection and maintenance is being promoted more and more on a vertical level, yet not so much on a horizontal level.
- 8) Considering the future of Tetra Pak, the brand will continue growing because of the company's reputation and history. On the global market more competition will be affected by price changes.
- 9) Final comments: Although the Tetra Pak brand is a B2B brand it can also be said to be well-known amongst consumers of goods.

C) Varumärkesadministratör/ IP assistant/administrator Karin Andersson

- 1) The view of the corporate brand is that it is very strong. The brand is one of the company's strongest and most valuable assets.
- 2) The brand is extremely important for the overall business success of Tetra Pak. The brand itself can be said to be stronger than the company name, and incorporates a good reputation, for instance. Therefore, it is very valuable.
- 3) When considering the motto "Protects what's good" words including: safe, kind, nurturing, caring, like a family member looking out for you, come to mind.
- 4) Since working with trademarks on a daily basis, brands are very important as they are constantly present. The main brands are usually always considered and the effects they may have on an issue are always reflected upon. However, there should always exist a balance in the extent of the role the brand plays during decision making processes.
- 5) The Tetra Pak Group is a good company providing good products. The products offered by Tetra Pak are superior in quality in comparison to other options offered by competitors. So yes, one does promote this fact to personal contacts, such as friends. However, only if and when the discussion is brought up.
- 6) On a vertical level considering emphasis on protection and management of the brand, this is not done as much as it could be. There is definitely room for improvement. The will exists, yet more can actually be done.
- 7) Employees working at Tetra Pak are generally proud of the brand. However, brand protection and maintenance awareness is relatively low and the benefits of nurturing the brand and promoting legal protection of it is generally rather low.
- 8) The prediction on the future of the brand is that the Tetra Pak brand will remain strong. However, there exists a risk that the brand may fall into shadow and not gain very much public attention. Maintaining good quality and consistency and refraining from engaging in spontaneous quick-fix solutions will lead to the brand being able to constantly maintain its strength. An example is the scarf brand Hermés which has come and gone in the attention of the spot light. The same can be said for Tetra Pak, as it enjoys a strong and steady brand that comes and goes throughout time.
- 9) For the customers the brand stands for quality and excellence, such as buying a strong and robust car. The Tetra Pak brand brings with it trust, reliability and reassurance.

D) Brand and reputation Team Leader Katarina Ekman

- 1) The brand is the most important asset. The Tetra Pak brand is a very strong brand within the segment of the business as a B2B company, yet as should be emphasized, not as a B2C company. It is a valuable brand.
- 2) Competitiveness is a rather important tool and asset to differentiate between competition. The brand is a promise. Therefore it is important for the overall business success of the company.
- 3) The motto stands for protecting not only the content in the packages but much more. It stands to protect the employees, customers, consumers and society on the whole.
- 4) The role of the brand during decision-making processes in the profession is large. Much work is done with brand and aspects standards, so therefore the brand constitutes a natural part of work.
- 5) Within the personal life, one is very proud of the corporate brand. One only purchases and uses products packed in Tetra Pak packages. The packages are superior and belief in the company and the products is strong.
- 6) Promotion of protection and maintenance of the brand is not done as much as would be desirable. The management does not perhaps understand the full importance of the brand as a soft tool. However, awareness of the brand is likely to increase in the future. The same can be stated concerning if protection and maintenance of the brand is emphasized amongst employees on a horizontal level.
- 7) Considering the future of the brand, there always exist risks of it being weakened. Colleagues must work together to build a strong brand, considering all aspects linked to the brand. Threats in the form of increased competition on the market exist and must be realized. Tetra Pak used to be a market leader within its field yet competitors have caught up and the gap between the company and the competitors is decreasing. It is important to understand how to build the brand and how to put value into the promise and make sure that the promise is realized through the brand. The promise does not only apply to the products and the packages but also includes professionalism of the employees, adequate technical services and greater levels of knowhow.
- 8) Customers believe that the brand is a strong one. Customers are aware and their levels of loyalty are high. However, Tetra Pak is a company that in fact is not accustomed to working with brands and nurturing the brand. Therefore, greater awareness within brand building and brand management is necessary. Doing the right thing at all times is important and maintaining the current value of the brand for the Tetra Pak Group.

E) Online Campaign Striver Melanie Isaac Åkesman

- 1) The brand is extremely valuable. It is a way to differentiate from the competitors. The importance of the brand can generally be said to have increased. Concerning the strength of the brand, it is getting there. The motto and logotype has gained a more interesting layout. However there is room for improvement and still more to do.
- 2) Considering the role of the brand for the business success of Tetra Pak, it is quite important. It is just as important on the B2B market as it is on the B2C market, as emotions and reputation play a role in the decision making

processes, as well as giving a feeling and a sense of comfort. Companies do not want to do business with an unknown brand.

- 3) The motto covers more aspects than people may think. It protects everything, from the packaging, incorporating protection of the environment and social responsibility. Put basically, the motto covers everything.
- 4) When working, the brand is constantly in the back of one's mind. It signifies the core values of the company. It exemplifies how to behave to colleagues and how to act towards suppliers. The brand gives a feeling of partnership.
- 5) During everyday life, the brand name is occasionally brought up as it is well-known in most countries. Friends may have associations with the brand name and express some kind of awareness of the brand, if it were to be brought up in conversation.
- 6) Yes, the brand is promoted from the management, since it is used everywhere.
- 7) Since the brand is at the core of what the company does, is it promoted amongst the employees that it should be used consistently and in the right way.
- 8) Hopefully, the brand will strengthen. It is a very useful differentiator. The brand team is working hard in doing this.
- 9) Concerning the image the customers have of the brand, this is a hard question to comment upon. However, work is currently being done by promoting recommendation by consumers. Consumers should see and become aware of the packages. Co-branding is also important, as the awareness of the brand may be increased when linked to brands of customer firms.

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