# Branded applications - Function triumphs Brand?!

An exploratory study of branded applications' role in the brand building process

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Date: 24.05.13

# Acknowledgments

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# Abstract

**Title**: Branded applications - Function triumphs Brand?
    -An exploratory study of branded applications' role in the brand building process

**Date of the Seminar:** 2013.05.29

**Course**: BUSN29, Degree project in Global marketing

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**Keywords**: Brand building process, High/low involvement brands, Mobile marketing, Branded applications.

**Thesis purpose**: The primary purpose of this thesis is to explore the role of branded applications in the different steps of the brand building process. Further, an investigation of whether this differs between a high and low involvement brand will be conducted from both a consumer and managerial perspective.

**Methodology**: Given the aim of this study a qualitative method was conducted, which consisted of three in-depth interviews and four focus groups. The in-depth interviews were conducted with managers from Kungsörnen and Nespresso.

**Theoretical perspective**: This thesis is based on theory regarding the brand building process from the consumer perspective as well as theory around mobile marketing and applications. An extended framework of Melin's (1997) model of the brand building process and Pelsmacker, Geuens and Bergh's (2010) e-communication framework served as the basis for the empirical data collection.

**Empirical data:** The empirical data has been collected through in-depth interviews conducted in-person with Nespresso and by telephone with Kungsörnen. To gain understanding of how consumer view mobile applications four focus groups were executed.

**Conclusion:** The research reveals that since consumers have accepted mobile applications and do not see it as a marketing tool, marketers can exploit this new communication channel to strengthen the brand. By creating an application that makes the consumer engage with the brand they have the ability to create awareness and positive attitudes towards the brand. Hence, by using mobile applications as a complement to other communication channels, this study shows that branded applications have a primary role during the brand engagement and brand awareness phase of the brand building process. If the marketers manage to achieve engagement and awareness, it can in turn lead to more loyal consumers and brand advocacy.

## Definitions and abbreviations

**Application (app):** Downloadable software that achieves certain tasks and provides value for the user of a mobile device (Mobile Marketing Association, 2009b).

**Brand:** In this thesis brands are defined as: *""A brand is a name that symbolizes a long-term engagement, crusade or commitment to a unique set of values, embedded into products, services and behaviours, which make the organization, person or product stand apart or but stand out."*(p.12)

**Brand advocacy:** A form of word of mouth marketing that describes how willing the consumers are to recommend the brand **(**Lantos, 2010)

**Branded application:** Applications that are attached to a specific brand, which display the brand identity (Mobile Marketing Association, 2009b; Bellman et al., 2011)

**Brand awareness:** The ability of possible customers to remember that a special brand belongs to a specific product *(*Kotler & Pfoertsch, 2010).

**Brand engagement:** Is the personal involvement between the consumer and the brand, which acts as the driving force behind decision-making and loyalty (Buckingham, 2008; Kapferer, 2012).

**Brand image:** The image is created by the public from all the brand messages they receive and consists of the features consumers associate with the brand (Kapferer, 2012; Shimp, 2008).

**Brand loyalty:** When a consumer stays true to a brand by repurchasing and using that brand prior to competitors (Hanson & Kalyanam, 2007; Aaker & McLoughlin, 2010)

**High involvement product/brand:** High involvement products are more expensive, the perceived risk is higher and the time to evaluate the purchase is higher (Kumar, 2007). Since the thesis focus is on product brands we will use the term high involvement brand, which indicates that the specific brand provides high involvement products.

**Integrated marketing communication (IMC):** To use the best available communications channels in a coordinated way to achieve the brand's communication objectives (Holland, 2010).

**Low involvement product/brand:** Low involvement products have lower price, the risk is perceived lower and the interest from the consumer is lower (Kumar, 2007; Dahlen, Lange & Smith 2010). Since the thesis focus is on product brands we will use the term low involvement brand, which indicates that the specific brand provides low involvement products.

**Mobile marketing:** In this thesis mobile marketing is defined as: *"A set of practices that enables organizations to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network"* (Mobile Marketing Association, 2009a).

**Native application:** The downloadable version of a brand's application (Magrath & McCormick, 2012).

**Premium brand:** The typical characteristics for a premium brand are excellent quality, high price, selectively distributed through the highest quality channels and carefully advertised (Quelch, 2006).

**Product brand:** A product brand has a unique name and should be seen as delivering one unique brand promise (Ghauri & Cateora, 2010; Keller, 2011).

**Pull-based mobile marketing:** Content sent to a mobile device upon request from the customer (Smutkupt, Krairit & Khang, 2011).

**Push-based mobile marketing:** When consumers receive advertising to a mobile device by or on behalf of an advertiser, which is not requested (Leppäniemi & Karjaluoto 2008).

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# 1. Introduction

The rapid growth of Internet has changed the market and new evolving communication channels have forced marketers to fundamentally rethink and change their brand strategies (Varadarajan & Yadav, 2009). Internet has changed the way consumers interact with brands and it is no longer enough to stand apart, brands need to stand above to be ahead of competition (Kapferer, 2012). Today, consumers are expecting to be able to interact with brands both online and offline, all the time and everywhere (Schenck, 2013) and the invasion of smartphones in consumers everyday life has brought even more challenges and opportunities for marketers to consider when developing their brand strategies.

## 1.1. Background

Internet was the first channel to enable many-to-many communication (Denny, 2012) and one-way messages where advertisers send out a message and expect consumers to react is part of the past (Schenck, 2013). The new channels and technologies have transformed the media and have changed consumers' role from being passive into becoming co-creators who share their experiences among each other (Wind, 2008; Christodoulides, 2009). Consumers expect engagement and marketers need to respond to the consumers' demand in order to earn attention (Denny, 2012). Thus, understanding how consumers behave on the Internet when searching for information enables the marketers to use the right marketing channel to reach their target audience (Goldschmidt, 2003).

The globalization and technological development has intensified competition, which has increased the importance of brands since the consumer tends to choose the safe and well-known brand, which they trust (Bergstrom, 2000). Internet has also increased the importance of building strong brands since the customers nowadays are loyal to brands and not products (Goodson, 2012). Prior to the Internet consumers were loyal to brands by necessity and not by choice. However, this changed when Internet evolved and today consumers are able to compare suppliers in real time, all the time, with the help of laptops and mobile devices, thus loyalty today is foremost by choice (Reichheld & Schefter, 2000). Hence, to stay competitive a brand needs to offer more than a strong brand image or a superior product (Kapferer, 2012). Nowadays, brand loyalty is the only thing that will guarantee a brand's survival and creating loyal customers is therefore the centre of many managers attention (Mohammad, 2012; Amine, 1998).

It is widely recognized that Internet has become a vital part of consumers' everyday life and marketers have understood that they need to incorporate online marketing and make changes in their strategies to meet the consumers' demands. However, the issue today is to understand *how* consumers use Internet to interact with brands. Although the time spent online is still in favour for Desktops, the growth rate for average time spent per day on mobile devices stands for 51,9% and the share of Internet traffic coming from Smartphones and tablets is increasing (eMarketer, 2012). Moreover, mobile channels have provided the market with connectivity and context-aware search, which enables brands to target and interact with consumers on the

go as well (Deighton & Kornfeld, 2009; Crosett, 2012). Although marketing through mobile devices creates both challenges and opportunities, marketers cannot neglect the importance of mobile devices if they want to stay ahead of competition (Crosett, 2012).

## 1.2. Problem formulation

The development in mobile technology and the increasing penetration rate of mobile devices has changed the environment in which marketers operate (Varnali &Toker, 2010). Mobile marketing is defined as "*a set of practices that enable organizations to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network*" (Mobile Marketing Association, 2009a), has as a result gained importance both in practice and in research (Leppäniemi & Karjaluoto, 2008). As mobile technology has become the fastest growing marketing communication platform (Rohm et al., 2012), and the allocated time spent on mobile devices increases, more emphasis should be on mobile marketing (Crosett, 2012). E- marketing has for a long time been the main focus for marketers but even if people spend their days on the Internet, they do not spend it on the Web (Anderson & Wolff, 2010). During the past few years there has been a shift away from the Web to platforms that use Internet for transport but not for display, i.e. mobile applications. Mobile applications are all around us and from the minute we wake up we start using them. We check our e-mail on the iPad by the breakfast table - that is one application, we listen to our favourite radio channel on our way to work- that is another application, at work we keep ourselves updated with the latest news in the field with the help of a third application and when we get home we enjoy listening to Spotify while preparing dinner (Anderson & Wolff, 2010). All these applications have changed consumers' behaviour and if marketers continue to ignore the consumers' demand for more mobile-friendly sites and applications they risk losing both traffic and sales (Crosett, 2012). Hence, marketers need a solid strategy for their mobile marketing and they need to integrate their mobile tactics with their overall marketing mix (Marketing Charts, 2013).

The increasing usage of mobile devices has generated new branding opportunities for marketers around the world. Since a growing number of people tend to be connected to the Internet through their mobile devices, they are always on the market and always a potential audience for marketers (Deighton & Kornfeld, 2009). Hence, mobile media has a unique targeting potential, as mobile devices are personal, location aware, always with the consumer and interactive (Khan, 2012). This enables brands to reach their target market anywhere at anytime, with a tailored message (Varnali & Toker, 2010: Khan, 2012). The release of the Smartphone and especially the iPhone allowed marketers to extend their mobile interaction with consumers well beyond SMS and mobile advertising (Chiem et al., 2010). Mobile applications became the new form of mobile marketing, which enabled marketers to use the full potential of the mobile forum as they now have the ability to create an on-going brand awareness and brand engagement with consumers (Chiem et al., 2010).

The huge potential that mobile applications have in generating real time access to consumers and a meaningful relationship that lasts (Dredge, 2011), has with time resulted in growing investments in branded applications (Magrath & McCormick, 2012). However, according to a

research conducted by Deloitte most of these branded apps prove unsuccessful (Dredge, 2011). Low quality and pure marketing content is said to contribute to application failures, and studies have shown that applications need to be relevant and provide functionality that is meaningful to the consumer if they are to succeed (Shankar & Balasubramanian, 2009; Dredge, 2011). How and why brands implement branded applications is therefore of interest, and more research is needed to gain in-depth understanding of how applications are and can be used in the brand building process.

As it often is with new technology practice progress more rapidly than theory development, and more research is therefore needed to aid marketers in their implementation of mobile marketing (Holland, 2010). During the last couple of years the interest for mobile marketing has grown and research in the field is emerging (Shankar & Balasubramanian, 2009). However, the conducted research is still very scattered across disciplines and our understanding of mobile marketing is lacking (Leppäniemi & Karjaluoto, 2008: Shankar & Balasubramanian, 2009). Current literature mainly focuses on consumers' acceptance of mobile marketing and the barriers and opportunities with implementing mobile marketing (Holland, 2010). Leppäniemi and Karjaluoto (2005) created a conceptual framework based on the diverse findings regarding consumers' willingness to accept mobile marketing, and with time it seems as if an agreement has emerged concerning the factors that influence consumer acceptance of the new mobile communication channel (Holland, 2010). While research around mobile acceptance may be abundant (Varnali & Toker, 2010) little research focuses on how to actually use mobile marketing when acceptance is reached (Holland, 2010).

A lot of research is also still focused around Push-based mobile marketing, SMS and mobile advertisements (Bellman et al., 2011), and there is still a lot to explore regarding Pull-based mobile marketing such as applications. Applications, branded apps in particular, are still in their infancy, and further research is therefore needed to explore best practices (Mobile Marketing Association, 2009b). Practitioners have also expressed a need for more specific, in-depth consumer research, which explores consumers' willingness to use and interact with the brand through branded applications (Persson, 2013). Current research around mobile applications state that there are major benefits to capture from developing an application, which all could help strengthen the brand. Increased brand awareness, brand loyalty and brand advocacy are just a few of the benefits that brands can profit on if they develop branded applications (Friedrich et al., 2009; Mobile Marketing Association, 2009b; Udell, 2012), but more empirical research is needed if practitioners are going to be able to draw any conclusions from the findings. Hence, there is a need for a better understanding of the role of mobile applications in the brand building process. Pelsmacker, Geuens and Bergh, (2010) have developed a framework from a study made by Insight Consulting, which displays when different e-communication channels should be used given the specific marketing goal. However, in this framework push- and pull-based mobile marketing are seen as one entity, but as the consumer respond to these differently, a separate exploration of when to use mobile applications is needed. This would answer to the gap in theory and give practitioners recommendations of how to use branded applications when acceptance is reached.

Bellman et al. (2011) were the first researchers to test the actual impact of branded applications on consumers. With the help of five different hypotheses they investigated how different aspects, such as product relevance and the application's design, influence consumer attitudes and behaviour towards the brand. Their findings clearly state that branded applications have a persuasive impact and increase the consumers' interest in the brand. The relevance of the product is however not suppose to influence the effectiveness of the application, which is quite hard to believe since it is difficult to imagine that anyone would download an application for a low-involvement product. These are interesting findings, but it still leaves many questions unanswered. Since Bellman et al. (2011) agrees that this finding is questionable further exploration in this area is of interest. Questions such as "Does the brand relevance affect how consumers interact with the brand through applications?" and "Are consumers more willing to download a branded app for a high-involvement brand than a low-involvement brand?", are questions that need further in-depth investigation and this gap in current literature leads us to the purpose of the thesis presented below.

## 1.3. Purpose

The primary purpose of this thesis is to explore the role of branded applications in the different steps of the brand building process. Furthermore, the aim is to investigate if this differs between a high and low involvement brand, which leads us to following question:

- *How do consumers view mobile applications and how can their attitudes be compared to the managerial perspective?*

## 1.4. Limitations

The purpose is limited to business-to-consumer brands and will not include any research regarding business-to-business brands. Hence the aim is to include the consumer perspective to attain better understanding of how mobile applications can be used to engage with consumers in different brand building steps. Further, this research will precede from a brand perspective, hence technologies regarding what opportunities and challenges conceived with applications will not be taken into consideration.

## 2. Theoretical framework

*In this section the thesis' theoretical framework is presented. Firstly, the main brand concepts and the brand building process are discussed, which serves as the basis for the next section where brand communication is explored. This section is then followed by a general discussion regarding mobile marketing and is continued by a current description of status quo regarding branded mobile applications. Finally, an extended framework is presented which combines and summarizes the theory discussed.*

### 2.1. Branding

This brand section first introduces different concepts that are relevant for the aim of this study. As the focus is on the brand building process a model of this process will be presented from a consumer perspective, which serves the thesis' purpose. The different steps in the model are described more thorough, and complemented with brand advocacy, which has become an increasingly important step in the branding process since information sharing is such a big part of everyday life. The following section address brand communication and online communication and is concluded with a presentation of a communication framework.

#### 2.1.1. Brand Definition

According to Kapferer (2012) there are several definitions of a brand. The author explains that there is a difference between a consumer based definition, which defines the brand as "*a set of mental associations, held by consumer, which add to the perceived value of a product or service*" (Keller, 1998, cited in Kapferer, 2012, p.7) and a legal definition, which defines the brand as "*a sign or a set of signs certifying the origin of a product or service and differentiating it from the competition"(p.8)*. Likewise Kapferer (2012) argue that a brand is more than a product and it is not enough for the product to have a name to be called a brand. Melin (2002) supports this by defining a product as something produced in the factory, which can be copied and quickly become out-dated, while a brand is unique and the key factor influencing the consumers' buying decision. Further, Kapferer (2012) argue that a brand is more than tangible assets because it commands different intangible qualities such as trust, respect, passion and engagement. Although all these definitions address the brand as something more than a product and are perceived to add value, there have been a lot of changes in the marketing strategies due to new technologies and increased competition. Therefore in this thesis brands will be defined according to Kapferer's (2012, p. 12) latest definition:

"*A brand is a name that symbolizes a long-term engagement, crusade or commitment to a unique set of values, embedded into products, services and behaviours, which make the organization, person or product stand apart or but stand out.*"

#### 2.1.2. Product brand

Ghauri & Cateora (2010, p. 302) define a product brand as "*one product, one brand and one promise*". By using a product brand, the company use one exclusive positioning for each product (Kapferer, 2012), thus every product brand should provide a unique brand promise

(Keller, 2011). Xie and Boggs (2006) explain that the main opportunity with this strategy is the product brand's flexibility, which enables companies to target different needs and segments. Hence, with a product brand portfolio companies have the ability to occupy a whole market (Kapferer, 2012).

### 2.1.3. Premium brand

Quelch (2006) explains that the definition of premium can differ depending on category but the typical characteristics for a premium brand are excellent quality, high price, selectively distributed through the highest quality channels and carefully advertised. Further, Quelch (2006) argues that premium brands can be found in almost every product category. However, Kapferer (2012) explains that premium should not be compared with luxury since premium brands are typical seen as trading up brands. Nespresso, Victoria's Secret and Belvedere Vodka are examples of typical premium brands and according to Kapferer (2012) premium brands are of high quality but they lack "*the magic of luxury*" (p. 67). Hence it is necessary to separate these definitions.

### 2.1.4. High-and low-involvement

According to Kumar (2007) products with high and low involvement can have various definitions. High involvement products are more expensive, the perceived risk is higher and the time to evaluate the purchase is higher. In contrast, low involvement products have lower price, the risk is perceived lower and the interest from the consumer is lower (Kumar, 2007; Dahlen, Lange & Smith 2010). Kumar (2007) suggest that cars and watches can be defined as high involvement products, while detergent and jeans are examples of low involvement products.

As the characteristics for high and low involvement products differ, the buying situation is different, thus the advertising tactics need to be adapted depending on the product type (Stone & Desmond, 2006). Dahlen, Lange and Smith (2010) explain that for low involvement products, the advertising should be designed to remind people about the product. Hence, information about low-involvement products is not important and it can therefore be placed in media where the information space is lower. Further, Stone and Desmond (2006) clarifies that low-involvement consumers generally base their buying decision on associations; if the product is familiar or if they have positive associations with the brand. In contrast, consumers demand more information about high involvement products (Dahlen, Lange & Smith 2010) and thus media that have space for information is more appropriate. Therefore, Stone and Desmond (2006) suggest that advertising for these products should focus on peripheral features such as colours and use expert spokespersons to best communicate their brand/product.

Since the thesis focuses on product brands we will use the term low involvement brand, which indicates that the specific brand provide low involvement products, and high involvement brand, which indicates that the specific brand provide high involvement products. The authors consider that the main rules that apply to high/low involvement

products can be reflected to the high/low involvement brand. This viewpoint is supported by the research conducted by McWilliams research (1997), which indicates that the level of consumer involvement in the purchasing decision is determined by the product category and not the specific brand. Hence, products and brands within fast moving consumer goods sector are considered to be low involvement, while more experiential brands/products are seen as high involvement.

**2.2 Brand building process**

Melin (1997) state that the goal for every brand should be to create loyal consumers and has created a framework where he explains the brand building process from the consumer perspective. For a company to be able to influence the consumers' choice of brand it is important to understand how the brand can create added value. As the marketers should strive to create loyalty the challenge is to create an attractive and unique brand. Hence, there is a need to analyse the central concepts in the brand building process and see how each step can influence the consumers' brand loyalty and strengthen the brand (Melin, 1997).



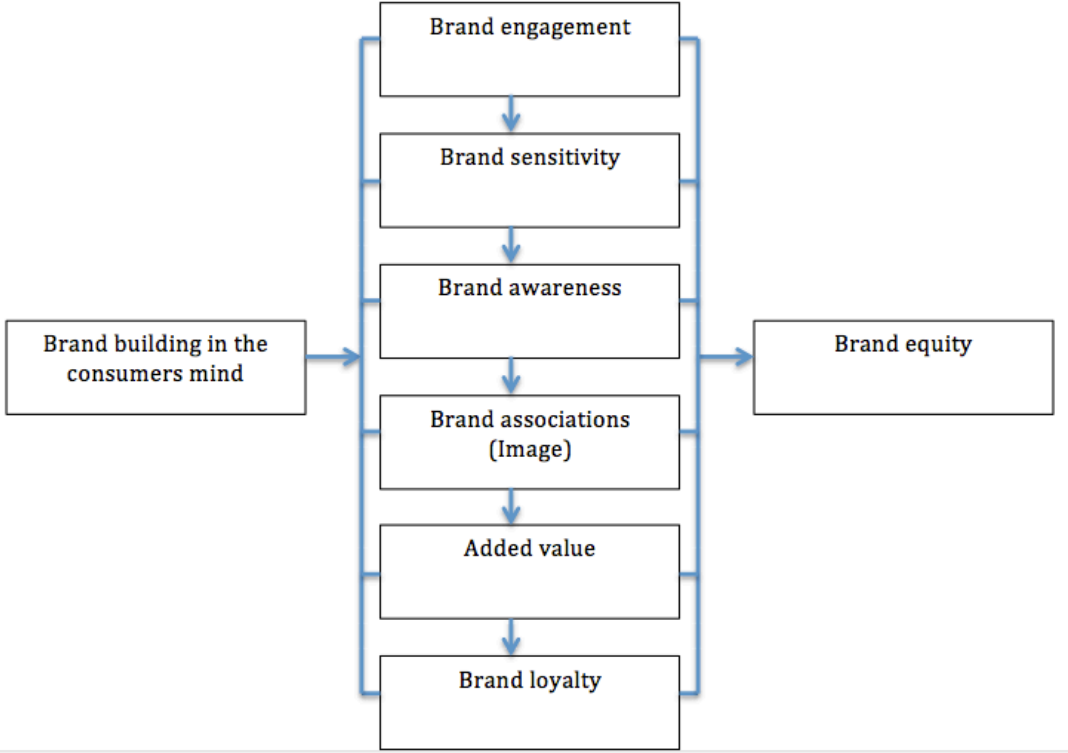Fig 1. The brand building process from a consumer perspective

According to Melin (1997) these concepts are central in consumer behaviour theory, and they have also been emphasised by several recognized authors as the main concepts to consider when strengthening the brand (Aaker, 1996; Kapferer, 2012). Given the thesis purpose each step of the brand building process will be presented in more detail below.

### 2.2.1 Brand engagement and brand sensitivity

According to Melin (1997) the primary activity for a brand is to create engagement between the brand and consumer and Buckingham (2008) states that brand engagement is an essential feature because it will affect the consumers' decision-making and loyalty to the brand. Further, Kapferer (2012) describes that a high level of engagement will strengthen the consumer relationship, which in turn will affect brand loyalty. Hence for a consumer that has high engagement there is no substitutability. Lacroix (2010) supports this and states that engagement will affect the commitment toward additional products from the brand and the unwillingness of switching brand. According to Melin (1997) by creating brand engagement, marketers want to generate brand sensitivity, which refers to the brand being the consumers' primary information source when selecting brand.

According to Tuten (2008) when brands want to enhance the engagement marketers should provide action-oriented experiences allowing consumers to interact with their brand. Brand engagement develops and maintains relationship with the consumer and is successful when it is perceived as a meaningful, memorable and on going. Hence, Tuten (2008) refers to social media as a perfect platform for developing and maintaining brand engagement. In support, Hanna, Rohm and Crittenden (2011) argue that it is not longer solely about reaching the customers with a brand message and needs instead to to engage on a continuous basis with their consumers by capturing and maintaining their attention. Thus a blend of both traditional and social media is needed. Further Gambetti and Graffigna (2010) state that in this new customer-centric marketing, where the customer is empowered, brand engagement plays a significant role.

### 2.2.2 Brand awareness

According to Melin (1997) the next step in the brand building process is to create brand awareness and Kotler and Pfoertsch (2010, p. 313) define brand awareness as "*the ability of possible consumers to remember that a special brand belongs to a special product*". Kotler and Pfoertsch (2010) argue that brand awareness can be separated into different levels depending on how well and with what help a consumer can recall a brand. Further, Shimp (2008) argues that brand awareness is a vital part for new brands to achieve awareness and for established brands to maintain awareness.

Aaker and McLoughlin, (2010) state that brand awareness can provide several competitive advantages. Keller (1998) describes one major advantage to be that it could influence customers' buying decision based on strong brand associations. Brand awareness influence consumers' choice because people tend to be drawn to the familiar and thus for low-involvement brands it can be the major factor influencing the buying decision (Barroso & Llobet, 2012; Aaker & McLoughlin, 2010).

Brand awareness will be created by on-going visibility, enhancing familiarity and powerful associations with related offerings and buying experience (Keller, 1998). Advertising can be used to enhance brand awareness and make consumers include brands in their purchasing

choice (Barroso & Llobet, 2012). Consumers are bombarded everyday with an increasing number of marketing messages, thus building awareness is challenging. Hence, Aaker and McLoughlin (2010) describe that to achieve visibility; brands need to become creative and go beyond the normal media channels to create attention.

### 2.2.3 Brand image

When creating brand awareness marketers need to define which brand image to attempt (Kapferer, 2012). According to Melin (1997) brand associations are essential since they should produce a strong, positive and competitive brand image. Shimp (2008) clarifies this and describes brand image as the features consumers associate with the brand. Hence, the public defines the brand's image with the help of the brand messages that are received and it is their perceptual concept of a brand (Kapferer, 2012, Aaker & Biel, 1993). Thus, marketers will always tend to shape a reflection or an image of the buyer, which it appears to address (Kapferer, 2012).

Prior to the Internet, brand image was communicated through traditional media with push messages with the aim to persuade the consumers about how wonderful the brand is. If something contradicted this image, it was suppressed and the marketer had control over the brand image (Christouploples, 2009). However, the post-Internet era changed this and made consumers develop their own perception of the brand's image which not necessarily corresponded to the image the brand wanted to communicate. Hence, the market today is more transparent and the brand image is therefore more exposed (Christouploples, 2009). Kapferer (2012) stresses that companies need to be aware of what image they want to have before projecting an image to the public. Hence marketers need to know what to send out before the consumers receive it and starts scrutinize it.

### 2.2.4 Brand Loyalty and added value

Pelsmacker, Geuens and Bergh (2010) reason that in order to become a successful brand, the brand has to differentiate itself and the consumer has to perceive these differences as unique benefits compared to competitors. Hem and Iversen (2003) explain that leading brands should constantly innovate to meet their consumers changing needs if they are to provide added value. This is important in order to keep their brand trustworthy and for consumers to know what makes the brand stand apart from competitors (Simões & Dibb, 2001; Hem and Iversen, 2003). Creating added value is essential since it in the long run should link to brand loyalty (Melin, 1997).

Melin (2002) explains that creating competitive preferences to other brands enables the brand to attract a broad base of loyal consumers. Hem and Iversen (2003) argue that a vital building block when creating loyalty is trust, which the brand will achieve only if it is able to match the perceived value of the consumer with the brand purchased. According to Mohammad (2012) brand loyalty is not only beneficial for market share but also enables companies to grow and to enter new markets. Hanson and Kalyanam (2007) state that repurchase is one way to measure brand loyalty, but Amine (1998) argues that true brand loyalty also depends on consumer satisfaction and involvement. The level of consumer commitment to the brand,

will affect how resistant the consumers are to offers from competitors and depending on the involvement to the brand, the consumer are more or less willing to refer the brand to others (Hanson & Kalyanam, 2007). Aaker and McLoughlin, 2010 stress the importance of loyalty since even though a product can duplicate or surpass, competitors needs to add value for the consumer to actually switch brand (Aaker & McLoughlin, 2010). Hence, this is what makes brand loyalty an enormous sustainable competitive advantage.

According to Melin's (1997) model of the brand building process, all these brand concepts cause brand equity, hence brand equity reflects the assets linked to the brand and comprise the collected value of brands (Aaker, 1996; Pelsmacker, Geuens & Bergh, 2010). However, this thesis focuses on the process and thus brand equity will not be explored further.

### 2.2.5 Brand advocacy

The presented brand building process does not include brand advocacy but since today's consumers are engaging not only with brand but also with other consumers, it is an essential concept when discussing online channels. Consumers actually tend to rely more on third parties than on traditional advertising when making their buying decision (Hanna, Rohm & Crittenden, 2011) and Lantos (2010) defines brand advocacy as how willing the consumer is to recommend the brand to peers. Further, Kirby and Marsden (2006) explain that by transforming loyal customers into brand advocates and taking advantage of people who love their brand, marketers can use brand advocacy as a powerful and cost-effective word-of-mouth strategy, which may improve their brand image and brand engagement (Kirby & Marsden, 2006; Lantos, 2010).

## 2.3 Brand communication

According to Hem and Iversen (2003) the role of the brand becomes more vital when the consumer is addressed with product choices. It is therefore of importance that the brand's added value and exclusiveness is communicated which is best achieved by being coherent through all communication channels (Kapferer, 2012). Kapferer (2012) stresses the weight of communication and that brands should communicate the intangible assets and values and the brand's uniqueness, which cannot be revealed by the package.

### 2.3.1 Online Communication

According to Lindström and Andersen (2000) a large number of brands are built upon one-way communication. One-way communication is characterised by monologues such as television, radio, ads and billboards, which all are channels where there is no interaction between the brand and the consumer (Lindström & Andersen, 2000; Richardson, 2001). However, new technologies have enabled marketers to move toward two-way mass conservation strategies where interaction is in focus (Pelsmacker, Geuens & Bergh, 2010). The Internet has brought some major changes to the market, such as greater transparency, cost efficiencies and more empowered consumers (Gay, Charlesworth & Esen, 2007).

Keller (2011) states that marketers must recognize the Web has empowered the consumer and that every action made by the marketers will be scrutinized. Internet has enabled the consumer to become active and engage with the brand, which marketers can benefit from this by working together with consumers to best satisfy their needs and wants (Chen, 2004; Kapferer, 2012; Keller, 2011). Internet should therefore be seen as a powerful tool for co-creating value and brand advocacy (Keller, 2011; Sawhney, Verona & Prandelli, 2005).

### 2.3.2 Integrated Marketing Communication, IMC

One of the biggest challenges for marketers is how to use and put together the best set of communication channels to both maximize short-term and long-term goals (Keller. 2011). The main objective of Integrated Marketing Communications (IMC) is to use the best available communications channels in a coordinated way to achieve the brand's communication objectives (Holland, 2010). Peltier, Schibrowsky and Schultz (2003, p. 93) defines IMC as "*a concept of marketing communication planning that recognizes the added value of using a comprehensive plan to evaluate the strategic roles of a variety of communications disciplines*". Marketers with an IMC approach will thus evaluate all forms of communication, all channels and all brand contact points, when they plan and execute their marketing communication strategies (Leppäniemi & Karjaluoto, 2008). For this approach to be as effective as possible the marketers need to be neutral when choosing media channel and evaluate each communication tool according to its effectiveness and efficiency (Keller, 2011). Hence, IMC is about choosing a set of different communications option that share the same content, but also present different advantages, so that the "whole is greater than the sum of its parts" (Keller, 2011).

## 2.4 E-communication framework

Pelsmacker, Geuens and Bergh, (2010) have developed a framework based on the study conducted by Insight Consulting, which aims to emphasise which online channels that are best applicable depending on which marketing goal the company strives to achieve. Since this framework includes both brand concepts that are part of the brand building process as well as mobile marketing, this model is of interest for this thesis. Hence, it gives a good understanding of the current research made within the field. However, this model do not separate push and pull marketing, thus it is of interest to investigate whether this model can be extended based on existing theories about mobile applications. The authors have chosen to present Pelsmacker, Geuens and Bergh's (2010) collected findings in a table to give a better overview of their framework. The framework is presented on following page.

| What | When | How |
|---|---|---|
| ***Generating brand awareness*** | Companies want to create or reinforce brand awareness | Online advertising, content sponsorship, advergames and viral marketing |
| ***Shaping brand image and brand attitudes*** | Companies strive to improve the consumer's knowledge and judgement about a brand, reinforce or change the way the brand is perceived by the consumers. | Brand sites, online advertising, anchor deals, email-marketing, mobile marketing, online contests and peer-to-peer games |
| ***Generating trial*** | Companies want to attract new consumers or reaching consumers who have never tried the product category before | Mobile marketing, email marketing, online contests, e-couponing and e-sampling |
| ***Creating loyalty*** | Companies strive to influence consumers buying behaviour and satisfy their need. | Email marketing, brand websites, virtual communities, e-rewarding games and online loyalty promotions |

Table. 1. E-communication framework

## 2.5 Introduction to Mobile Marketing

The growing use of mobile devices has increased the interest for mobile marketing and more research is being conducted to shed light on the still unexplored phenomenon. The following section aims to give the reader a better understanding of mobile marketing and especially mobile applications. Hence, existing literature and theories will be summarized and unexplored areas will be pointed out.

### 2.5.1 Mobile marketing

Mobile Marketing is a complex phenomenon, which has complicated the process of creating a single established definition (Leppäniemi & Karjaluoto, 2008). However, a growing consensus around the proper definition is emerging and the definition created by the Mobile Marketing Association (2009a) is probably the most widely used definition today. As mentioned the Mobile Marketing Association (2009a) defines Mobile Marketing as *"a set of practices that enables organizations to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network "*. Hence, Mobile marketing is a two-way or multi-way communication channel, which could include mobile advertising, promotion, customer support and other CRM activities (Shankar & Balasubramanian, 2009).

Even though Mobile marketing has the ability to reach the target market at any time, the audience that can be reached is limited to the people that actually have a mobile device, example iPad or iPhone, and opt-in to receive messages from marketers (Shankar & Balasubramanian, 2009). Another constraint related to mobile marketing has to do with the bandwidth capacity and the screen size, which limits the type of communication that can take place on a mobile device. Information-intensive messages are thus not suitable for this media. However, the advantage of the brief and precise communication that takes place through mobile marketing is that it opens up for a more frequent interaction between the brand and the customer (Shankar & Balasubramanian, 2009). Mobile devices also often have one unique user, which enable marketers to target customers with a more personalized message (Khan, 2012; Mobile Marketing Association, 2009b). Hence, mobile devices enable very precise targeting and as the users are highly involved with the content provided this communication channel is very effective compared to other media (Mobile Marketing Association, 2009b). Given this discussion the two main benefits related to mobile marketing are the location specificity and portability of the mobile devices (Shankar & Balasubramanian, 2009). Nowadays, many mobile devices have GPS capabilities, which identify the consumers' physical location. This enables marketers to target the consumers with location specific promotional offers based on the consumers' preferences and behaviour. The fact that the mobile devices are small and can be carried around is another benefit, but the real advantage lies in that it is constantly with the user and frequently used throughout the day (Shankar & Balasubramanian, 2009). This makes it possible for the brand to communicate with the target market at anytime, at anyplace (Varnali & Toker, 2010: Khan, 2012). Mobile marketing also has the ability to better measure and track consumer response, as well as a lower unit cost of communication compared to mass marketing (Shankar & Balasubramanian, 2009).

Mobile marketing include several different channels, such as Mobile Websites, Mobile applications, SMS, MMS and Mobile videos (Mobile Marketing Association, 2009b; Chiem et al., 2010). Until 2007 when the iPhone was released, marketers primarily relied on SMS, MMS and Mobile advertising when creating a mobile marketing campaign (Chiem et al., 2010). These technologies proved promising in reaching short-term sales at a low cost, but had several limitations (Chiem et al., 2010). First of all the consumers had a tendency to view these campaigns as irritating, the mobile equivalent to telemarketing, and they also lacked the ability to create on-going brand awareness (Samanta, Woods, & Ghanbari, 2009; Chiem et al., 2010). It was not until the introduction of mobile applications, closely connected to the release of the Smartphone, that Mobile marketing saw its full potential (Chiem et al., 2010). Mobile applications have generated new ways for marketers to promote their brand and have also made it easier to build a long-lasting relationship with the target market (Chiem et al., 2010).

Since mobile marketing includes both push and pull type marketing (Karjaluoto et al., 2007) it is useful to acknowledge the distinction between Push-based mobile marketing and Pull-based marketing. Leppäniemi & Karjaluoto (2008, p.53) defines Push-based mobile marketing as "*any content that is sent by or on behalf of an advertiser or marketer to a mobile device at a time other than when the subscriber requests it*". This type of mobile marketing includes SMS, emails, surveys and other push-based advertising. Pull-based mobile marketing is on the other hand content sent to a mobile device upon request from the customer (Smutkupt, Krairit & Khang, 2011). In mobile marketing it could be a request for a coupon, or any other type of related communication initiated by the consumer (Leppäniemi & Karjaluoto, 2008). Push marketing has as mentioned dominated mobile marketing for several years, but since mobile applications were introduced, which are especially designed for pull marketing, the trend has changed (Smutkupt, Krairit & Esichaikul, 2010; Bellman et al. 2011).

| Push-based Mobile Marketing | Pull-based Mobile Marketing |
|---|---|
| SMS, E-mails, Surveys, MMS | Mobile applications, QR codes, Image Recognition-based codes, Short codes, Coupons |

Table 2. Push- and Pull-based mobile marketing

### 2.5.2 Mobile Applications

During the last couple of years the mobile application segment has rapidly expanded across the globe (Mobile Marketing Association, 2009b). The Mobile Marketing Association (2009b, p. 1) defines mobile applications in the following way: "*Software or content that consumers download to or find pre-installed on their mobile phone and then resides on the phone.*" Examples of mobile applications are: games, newsreaders and social forums. Moreover, applications consist of software that runs on a mobile gadget, which achieve specific tasks and offer value for the user (Mobile Marketing Association, 2009b).

When discussing mobile applications a distinction between the Mobile web site, the Mobile web app and the Native app is needed (Magrath & McCormick, 2012). Magrath and McCormick (2012, p.100) define the Mobile Web site in the following way: "The Mobile Webs site - the un-optimized web site entered via the mobile browser". The Mobile Web app is described as the brand's website optimized into an application that can be entered through the mobile browser. The Native app is on the other hand the downloadable version of the brand's application (Magrath & McCormick, 2012). Chiem et al. (2010, p. 46) defines downloadable applications (Native apps) as " *programs designed specifically to add functionality to mobile handsets and are able to interact directly with the technical features of the phone*". Whenever mobile applications are mentioned in this paper the authors refer to the definition of Native apps. Hence, mobile applications are either pre-installed on the mobile device or can be downloaded by the consumer from an app-store (Magrath & McCormick, 2012; Mobile Marketing Association, 2009b). Mobile applications are only available for those customers with appropriate mobile devices, but nowadays applications are common on most phones (Mobile Marketing Association, 2009b). Mobile applications have the ability to give users access to services that need faster, more complex and not necessarily connected user experiences, which is what sets mobile applications apart from browsing the mobile web (Mobile Marketing Association, 2009b).

Another distinction that can be made between different mobile applications has to do with their creative style. Bellman et al. (2011) made a clear distinction between informational and experiential applications. The Informational style has a utilitarian or information-gathering approach; an example of this is banking applications where the content provided clearly helps the consumer with a certain task. Experiential applications on the other hand provide enjoyment and entertainment, thus the outcome is more like a treat for the consumer. Examples of this are game applications and podcast applications (Bellman et al., 2011).

### 2.5.3 Branded Applications

Mobile devices have created a whole new marketing platform, where marketers have the ability to create applications and other communication channels solely dedicated to their brand (Friedrich et al., 2009). The increased acceptance of mobile marketing and m-commerce has led a number of brands to invest resources in Native apps (Magrath & McCormick, 2012). These applications that are attached to a specific brand (Mobile Marketing Association, 2009b) are classified as "Branded apps". Bellman et al. (2011, p. 191) define branded apps as *"software downloadable to a mobile device which prominently*

*displays a brand identity, often via the name of the app and the appearance of a brand logo or icon, throughout the user experience*". The increased interest in branded apps has its roots in the applications' high level of user engagement and the positive effects this has on attitudes towards the specific brand (Bellman et al., 2011). Compared to other forms of advertising branded applications are seen as useful and are welcomed by the consumers, which makes it a powerful communication tool (Bellman et al., 2011).

According to Udell (2012) branded applications have unlike more traditional mobile activities the ability to pass on valuable and educational information about the brand and/or its products. It is common to include more instructional content such as product tips and other helpful guidelines that aid consumers to more effectively utilize and integrate the brand in their daily life. Hence, the main idea is that an educated consumer is a more engaged consumer, and the information given by the applications helps consumers to appreciate the brand's value and creates brand advocacy (Udell, 2012).

It is important that branded apps support the brand's core qualities and that the brand integrity is maintained across all communication channels (Udell, 2012; Magrath and McCormick 2012). Ideally, the branded app should reinforce the features that the consumers already associate with the brand, which will strengthen the connection between the consumer and the brand (Udell, 2012). The brand name and logo should also be built into the application in such a way that the brand is easily recognized (Magrath & McCormick, 2012). This will increase brand awareness and induce trust and authenticity to the application (Magrath & McCormick, 2012). It is also of great importance that the application is of good quality (Dredge, 2011) so that it lives up to reputation that the brand has. Brands that are unable to maintain a consistency in what they communicate about their brand to consumers risk losing part of the customer base (Udell, 2012).

Research has shown that ninety-one per cent of the top brands (defined by Interbrand 2011 Best Global Brands report) have a presence in at least one of the major app stores such as Google Android Market and Apple App Store. This indicates that companies have realized that app stores offer a unique channel to promote their brands and reach their target market (Distimo, 2011). However, Bellman et al. (2011) stress that as more brands have realized the importance of being present in app stores the harder it has become to get noticed. Hence, to get a new branded app to stand out from a 100.000 others they need a separate, convincing advertising campaign (Bellman et al., 2011). However, brands that dare to tap into the enormous potential of branded apps may actually deliver competitive advantages against the many brands that still have not taken the opportunity to communicate with consumers through applications (Udell, 2012).

### *2.5.4 Building loyalty through applications*

Brands have for a long time been aware of the benefits of mobile marketing, but it is not until now that the entry barriers have been lowered to make mobile marketing economically feasible that brands can draw on its full potential (Friedrich et al., 2009). Now that the financial and economic barriers have been defeated brands have the opportunity to address the

advantages of mobile marketing: real-time access to customers, deep insight into customer behaviour and value generation for consumers. Those who invest in these opportunities will be compensated by deeper consumer engagement, increased brand loyalty and enhanced customer lifetime value (Friedrich et al., 2009).

Branded applications are still at an early stage and best practices are yet to be explored (Udell, 2012; Mobile Marketing Association, 2009b). However, everyone knows that offering an entire application for free creates a unique opportunity to enhance brand awareness (Mobile Marketing Association, 2009b). Applications are the perfect opportunity to communicate directly with consumers in a more meaningful and personal manner to achieve a long-term relationship (Dredge, 2011), this is however not done overnight. Brands interested in launching branded apps need to apply a consumer-centric approach, and include content that is relevant, timely and actionable (Udell, 2012). Brands also need a thorough understanding of the customers' usage patterns, which means that they need to know how, why and when a specific application is used if they are to take advantage of the mentioned benefits (Mobile Marketing Association, 2009b).

In the end it all comes down to the creation of brand engagement, which means that consumers initiate the contact with the brand (Chiem et al., 2010). Successful applications should therefore include incentives that encourage consumers to engage with the brand. The long-term advantage of brand engagement is an increase in the consumers' preference for the specific brand (Chiem et al., 2010), i.e. brand loyalty.

An important aspect to consider when discussing the potential benefits of mobile marketing is that brand loyalty is not attained with technology (Reichheld & Schefter, 2000). Reichheld and Schefter (2000) state that without delivering superior customer experience the mobile marketing efforts will not generate loyal customers. This rule has not changed with mobile applications, but what has changed is the pace at which brands need to improve their products and services to stay competitive and retain loyal customers (Reichheld & Schefter, 2000).

### *2.5.5 Consumer acceptance of mobile marketing*

Mobile devices have over the years gained acceptance across regions and cultures, and have in many ways become a lifestyle icon that consumers cannot be without (Friedrich et al., 2009). However, a majority of consumers that use mobile devices do not appreciate unwanted intrusion in their mobile environment (Shankar & Balasubramanian, 2009). Mobile Marketing has often been criticized for generating unsolicited messages, that irritates consumers and raises concerns for privacy issues (Smutkupt, Krairit & Esichaikul, 2010). Spam is actually viewed as the main negative influence on consumers' acceptance of mobile marketing. The best way to deal with this issue is to make sure that mobile marketing activities only are used when consumers have given their permission (Smutkupt, Krairit & Esichaikul, 2010). It is therefore of great importance to get consumers to opt-in to receive mobile marketing through other media channels such as the TV and Web (Shankar & Balasubramanian, 2009). Consumers tend to opt-in when they feel that the mobile messages generate substantial benefits for them. It could be direct benefits such as specific offers for a desired product, but

in the end it all comes down to the fact that the messages need to be highly relevant to the consumers if they are to be successful (Shankar & Balasubramanian, 2009).

Intrusion and privacy concerns are however issues most common within push-based mobile marketing such as text messaging (Bellman et al., 2011). Mobile applications on the other hand, which make use of pull advertising, tend to overcome these issues. Hence, here it is the consumer who initiates the contact with the brand by downloading the application and they can also easily control how much information they disclose by customizing the application (Bellman et al., 2011).

Over the years it seems as if an agreement is emerging concerning the key factors that affect consumer acceptance of mobile marketing in general (Holland, 2010). Research made indicate that if marketers are able to build trust through acceptable permission-based systems and create messages that meet consumers' demand for value and entertainment, consumers are likely to accept this new media channel (Holland, 2010).

### 2.5.6 Opportunities and Challenges

Summarized you will find the opportunities and challenges with mobile applications as well as the long-term benefits and negative effects on the brand

| Opportunities | Challenges |
|---|---|
| Precise targeting, Location and behavioural specific Promotional offers, Ability to track consumer response, High involvement, Real-time access to customers Anywhere, Deep insight into customer behaviour, Value Generation for consumers | Screen size of mobile devices, Limited audience, Bandwidth capacity, Consumer engagement, Privacy issues, Unsolicited messages |
| **Long-term benefits** | **Long-term negative effects** |
| Brand awareness, Long-lasting Relationships with consumers, Engaged consumers, Brand advocacy, Competitive advantages, Brand loyalty, Enhanced customer lifetime value | Losing sales, Losing parts of their customer base, Losing traffic. |

Table.3 Opportunities and challenges with Mobile Marketing

## 2.6 Summary - extended model

To be competitive in today's dynamic market the theory stress the importance for brands to obtain loyal consumer. However, to create loyal consumer brands need to engage their consumers, create awareness of their existence and have an appealing image. Hence, brands need to create added value in order to generate loyalty. Further, theory emphasise that marketers need to achieve coherence in all their communication channels in order to strengthen the brand and use the different channels to reach out to the consumers. Nowadays the importance of peer recommendations have made brand advocacy an efficient concept for brands to take advantage of in order to influence their consumers and strengthen their brand.

As the competitive environment has intensified, branding has become increasingly important and marketers need to stay in tune with evolving communication channels that offer new opportunities to promote the brand. Mobile applications are the newest media, which since 2007 has gained a lot of attention. However, branded application is still a fairly unexplored phenomenon and there is still a lot to discover. Given the huge potential that this media has the aim is to explore how and when it can be used to strengthen the brand. Current research has stated several benefits with mobile marketing but further empirical research is needed to shed light on the practical role of branded applications in reaching the different steps in the brand building process.

Given the literature review around the brand building process and mobile applications the Pelsmacker, Geuens & Bergh (2010) framework can be extended with two more brand concepts; brand engagement and brand advocacy. This model could also be modified so that it mirrors the different steps in the brand building process, which is presented below. As marketers need loyal consumers to generate brand advocacy, the authors have decided to include it as the last step in the framework. Combining these two models and including the current literature around mobile applications have obtained a general understanding of mobile applications role in the brand building process. This framework will be further explored when analysing the empirical findings. However, the aim is not primarily to test this model, but by exploring the role of mobile applications in the brand building process contributions to this model may be achieved.

| What | When | How |
|---|---|---|
| *Increase and create Brand engagement* | Companies want to engage with their consumers. | Online marketing such as social media and web sites, mobile applications |
| *Generating brand awareness* | Companies want to create or reinforce brand awareness. | Online advertising, content sponsorship, advergames and viral marketing, mobile applications |
| *Shaping brand image and brand attitudes* | Companies strive to improve the consumers' knowledge and judgement about a brand, reinforce or change the way the brand is perceived by the consumers. | Brand sites, online advertising, anchor deals, email-marketing, mobile marketing, online contests and peer-to-peer games |
| *Generating trial* | Companies want to attract new consumers or reaching consumers who have never tried the product category before | Mobile marketing, email marketing, online contests, e-couponing and e-sampling |
| *Creating loyalty* | Companies strive to influence consumers buying behaviour and satisfy their need. | Email marketing, brand websites, virtual communities, e-rewarding games and online loyalty promotions, mobile applications |
| *Encourage Brand advocacy* | Companies take advantage of people who love their brand to create word of mouth and reach new consumers. | Social media, online forums, mobile applications |

Table 4. Extended theoretical framework

# 3. Methodology

*In this chapter the thesis' research method is presented, where the collection and analysis of empirical material is the main focus. This section also shed light on the methodological assumptions of the researchers as well as the study's validity and reliability.*

## 3.1 Research method

The primary purpose of this thesis is as mentioned to explore the role of mobile applications in the brand building process. By studying a high and low involvement brand the aim is to compare how they use branded applications in this process, and furthermore extend the study by incorporating the consumers perspective on these two branded applications. As the thesis purpose is framed towards a high and low involvement brand, two specific brands were chosen based on their relevance for the thesis purpose. Hence, the goal is to gain in-depth understanding for how these two specific brands work with branded applications as well as how their consumers interact with these applications, which will aid the exploration of how branded apps can be used in the brand building process.

The explorative and descriptive nature of this thesis made a qualitative research strategy deem appropriate, since it would enable the authors to gain a deeper insight into mobile applications for high and low involvement brands (Bryman & bell, 2011). According to Wallén (1996) qualitative studies are needed when the situation is vague, subjective and cannot be measured. The research around mobile applications is still limited and vague, which indicate that more qualitative studies are needed to gain insight into the phenomenon and its concepts (Ghauri & Grønhaug, 2005). The limited information around mobile applications would thus make a quantitative research based on questionnaires difficult, since it would demand a clear picture of which concept that should be measured (Bryman & Bell, 2011). This in combination with the fact that qualitative studies are more inclined than quantitative studies to provide detailed explanations of the specific research area is main reason why this strategy was chosen. According to Lundahl and Skärvad (1999) a qualitative approach gives the researchers the possibility to explore how people perceive themselves, their surroundings and the context, which their behaviour takes place. This further supports the chosen strategy since the purpose of this thesis is to give answers to why and how two specific brands use branded applications and how their view of the applications can be compared to the consumers' attitudes. A quantitative research would not give the authors the ability to ask "why" questions, which furthermore explains why this method is disregarded (Bryman & Bell, 2011). Moreover, the authors do not seek to quantify the data collected; instead they emphasize the words expressed by the respondents, which suits the purpose of the thesis better.

### 3.1.1 Philosophical assumptions

The research strategy is often closely connected to the epistemological and ontological considerations of the study. Qualitative studies often reflect an interpretivist and constructionist viewpoint (Bryman & bell, 2011), which this thesis also does. An interpretivist position focuses on gaining an understanding of the social world, through the eyes of the beholder (Bryman & Bell, 2011). This means that mobile marketing and branded applications

only can be understood through understanding the meaning of the concept for actors engaged in this type of interaction (Bryman & bell, 2011). Since the purpose of this thesis is to explore the phenomenon from both a managerial and consumer perspective an interpretivist viewpoint was taken.

A constructionist approach challenges the suggestion that constructs such as organizations and culture are pre-given and not influenced by social actors (Bryman & Bell, 2011). Hence, "reality" is not objective, but actually created and given meaning by the perceptions and actions of people (Bryman & Bell, 2011; Easterby-Smith, Thorpe & Lowe, 2008). Each individual thus determines social constructs, and focus should therefore be on trying to understand the different experiences people have in regard to these constructs (Easterby-Smith, Thorpe & Lowe, 2008). To be able to explore how constructs such as brand loyalty and brand engagement can be reached through branded applications a constructionist approach was taken, since this standpoint enables an exploration of how concepts like these are created in the consumers' minds. This approach was further supported by the fact that it would aid the understanding of how managers and marketers experience the role of mobile applications in the different steps of the brand building process, which is an important aspect of the thesis.

### 3.1.2 Role of theory

As mentioned by Leppäniemi and Karjaluoto (2008) as well as Shankar and Balasubramanian (2009) theory around mobile marketing and branded applications is still very scattered around disciplines and a deeper understanding of the concept is lacking. Some areas of mobile marketing, such as consumer acceptance, have gained more focus than others (Varnali & Toker, 2010), and there is an expressed need for more research in the area of mobile applications (Udell, 2012; Mobile Marketing Association, 2009b) and its role in the brand building process. Brands and branding are however widely discussed in theory and there is a wide selection of theories and frameworks that could be applied when studying branding in the mobile forum. This made an iterative approach appropriate for this thesis, since it includes a weaving back and forth between theory and empirical findings. So even though qualitative studies often have an inductive approach (Bryman & Bell, 2011), this research has influences of both an inductive and deductive approach. Hence, the authors started by collecting relevant theories in the field of branding and mobile marketing and created an extended model of two existing frameworks, which became the basis for the data collection. The main purpose was not to test this model, but since the authors strive to explore the role of mobile applications in the brand building process contributions to this model may be obtained. The findings of this thesis will aid future research in the field and give room for more in-depth studies.

## 3.2 Multimethod Approach

Given the thesis' purpose a qualitative method was chosen, but since the authors aimed to include both a managerial and consumer perspective a multimethod approach was needed. To gain an in-depth understanding of how managers and marketers view the role of mobile applications a comparative design was applied where in-depth interviews were the method employed. To mirror the consumers' perceptions of mobile applications and their attitudes

towards the specific branded applications focus groups seemed like a more appropriate method, since more people needed to be interviewed and resources were scarce. Below a more comprehensive explanation of the methods used will be given.

### 3.3 Comparative case study

To be able to explore and compare how two different brands, in this case a high involvement brand and a low involvement brand, view the role of mobile applications a "mini" version of a multiple case study design, also called Comparative design, was employed (Bryman & Bell, 2011). Comparative designs usually focuses on cross-cultural or cross-national research (Bryman & Bell, 2011), but in this thesis the aim is to mirror and compare how two different brands use mobile applications to strengthen the brand. However, it should be mentioned that due to time and resource limitations this comparative case study is not as comprehensive as usually expected from this design.

### 3.4. Choice of participating Companies

As the increasing usage of mobile devices has generated new opportunities for marketers around the world (Deighton & Kornfeld, 2009), huge potential have aroused with mobile marketing, especially applications. Today the numbers of brands that create their own branded applications are increasing and the aim of this thesis is to study the role of mobile applications when striving to strengthen the brand. Therefore the choice of participating companies needed to fulfil the following criteria's:

1. The first criteria when choosing which companies to include was to make sure that the brand had a branded application. By downloading different applications the authors were able to see which brands to approach for the research.
2. Given the thesis purpose to study consumer attitudes toward mobile marketing, product brands in the business to consumer industry were chosen and a well-known brand was preferable since it would facilitate finding people for the focus groups.
3. Finally, since the aim was to compare two different brands with low and high involvement this was the final criteria used when choosing the companies.

The authors approached several brands that matched these criteria's. However, many companies consider it to be a sensitive subject and did not want to share their strategies with competitors since mobile marketing is a new, promising marketing tool. Finally Nespresso and Kungsörnen were willing to participate, which both are well-known brands in Sweden that have similar target groups but at the same time differs. While Nespresso is a more high involvement, premium brand, Kungsörnen is an everyday low cost brand with low involvement products. Hence, these brands were well suited given the aim of the study and the authors were confident that these companies would give the study a sufficient managerial perspective on the subject. Due to the difficulty to get access to companies, time limitation and the aim to have a comparative design, the authors found it sufficient to only include two brands in the study.

### 3.4.1 Introduction of participating Companies

**Nespresso Sweden**

Nespresso is a well-known international premium brand, present in almost 60 countries, and is part of the Nestlé Group. However, the Nespresso Brand is relatively new and has only been on the Swedish market since 2006 (Persson,2013). The basic idea of Nespresso is to *"enable anyone to create the perfect cup of espresso coffee"* (Nespresso, 2013a) and their focus is on delivering the highest quality coffee and the ultimate coffee experiences to their consumers (Persson, 2013). The Nespresso brand was included in the Top 100 most powerful brands in 2008 and has successfully built exclusive relationships with their consumers through their member club (Nespresso, 2013b).

The brand's target group is according to Persson (2013), implicit but has noticed to be urban people between the ages of 30-50. However, the focus has been towards the urban person who has an interest in quality, food, drinks, fashion and that type of lifestyle. Persson (2013) expressed that Nespresso never really has segmented in means of age groups since they rather want to target everyone who is interested in quality and service and who loves coffee.

The Nespresso brand use mobile marketing in form of their branded application, which is an informational application where customers can order coffee, find the nearest store and read more about the products and the brand.

**Kungsörnen**

Kungsörnen is part of the Lantmännen Group, which is one of the Nordic area's largest Groups within food, machinery, energy and agriculture. Lantmännen is owned by 35,000 Swedish farmers and operates in 22 countries. Sweden is the basis for the group's operations but Lantmännen is also present on the international market and they have several brands in their brand portfolio. (Lantmännen, 2013). In this thesis focus will be on their product brand *Kungsörnen*, which is a well-known and popular brand of pasta, flour and frozen food (Kunsörnen, 2013). Kungsörnen has worked hard at creating a familiar image, and they want to be seen as an expert brand within the grain industry that teaches the consumer how to use the different grains in the best possible way (Wernvik, 2013).

Kungsörnen's target group is quite broad. They target all consumers that enjoy food in general, especially baking, and who wants to use the best ingredients.

Kungsörnen has a branded baking application with focus on their different flour products. With this application the customers can read about different types of flour and be inspired to bake by the different recipes provided.

### 3.4.2 Interviewee description

The respondents were chosen because they were up-to-date about their brand's mobile application and were able to give sufficient and interesting information. When approaching the companies, the topic was discussed in order to get in contact with the right people, hence the ones regarded as the best informed about the subject. As mobile applications are a new marketing channel, respondents had to be chosen based on their authorization to speak about

the subject. This was the reason why only two from Nespresso Sweden, and one from Kungsörnen were chosen as well as why the respondents had different responsibilities. In the Nespresso case, the ordinary country manager was on maternity leave and the authors were therefore only able to interview the stand in. The authors are aware that this may have influenced the information received from Nespresso, as the information would be more comprehensive if the ordinary employee was interviewed. However, by conducting an additional interview with Nespresso, the answers received from the first interview could be extended and complemented.

*Stefan Persson*, Senior Business Controller and stand in for the Country Manager, Nespresso Sweden. Persson has worked at Nespresso for five years and started of in their Nordic office in Oslo but transferred to Stockholm three years ago to be Head of Finance for the Swedish market. Hence, Persson was chosen because he has great knowledge about the Nespresso brand as well as insights to their overall strategies and their mobile marketing strategy.

*Ola Secher*, Boutique Manager at Nespresso in Malmö. Secher has worked as the Boutique manager in Malmö since the opening in 2012. Secher has great customer insight as he has worked as a store manager for several years. He has also worked for several different companies; Ikea is one of them, as a consultant where he was responsible for re-organizations and store openings. Secher was chosen since he had insight to the consumer perspective and could confirm Persson's statements about how they communicate their brand in their boutiques and how they market their application.

*John Wernvik*, Digital Brand Manager at Lantmännen. Wernvik is responsible for all the digital communication strategies at Lantmännen, and has worked with planning and implementing Kungsörnen's digital communication. Hence, Wernvik is a suitable respondents regarding Kungsörnen's baking application.

### 3.4.3 In-depth interviews

The purpose of this thesis is to gain an understanding of mobile applications from both a managerial and consumer perspective. Conducting in-depth interviews is a suitable method when the aim of the study is to understand an area and explore it rather than measure it, hence it provides richer source of material in comparison to surveys (Easterby-Smith, Thorpe & Lowe 2008; Willis, 2008). As the purpose of this study is to gain a descriptive view about how the brands use mobile applications, the authors recognized in-depth interviews to be the most suitable approach to explore this subject rather than a survey, as a survey would have given more shallow answers. Further, it is more suitable to conduct in-depth interviews when the ambition is to gain behavioural or attitudinal information (Willis, 2008), which is the aim of this study. The interviews were conducted with representatives from Nespresso Sweden, with face-to-face interviews, and Kungsörnen, with telephone interviews.

For the in-depth interviews, questions were asked based on this study's aim, hence to gain understanding of the companies use and view on mobile applications. The questions were designed to get a descriptive and more comprehensive understanding of how companies work with applications in the brand building process and how they see it in comparison to other

communication tools. The questions were based on existing theories and were formed to fill the gap found in the literature. For a better understanding of the questions asked, see Appendix A and B.

The interviews were executed according to a semi-structured design based on open questions and since the interviews involved both a few predetermined questions and follow-up questions, unstructured questions were included as well (Backman et al., 2012). The unstructured questions open up for follow-up questions and let the respondents extend and explain their answers when needed. The choice of interview design is justified by the need to gain an understanding of the topic, which will be attained through nuanced and extended answers (Easterby-Smith, Thorpe & Lowe, 2008; Lundahl & Skärvad, 1999). Additionally, the decision to use semi-structured interviews was based on its ability to facilitate comparison of the answers gained from the different companies, which is needed when conducting a comparative study (Bryman & Bell, 2011).

Challenges can occur when conducting interviews, such as when questions are asked and when they are interpreted, researchers may influence the respondents with their own reference frame (Easterby-Smith et al., 2008; Bryman & Bell, 2011; Backman et al., 2012). Another weak side with interviews is that the respondent may answers what they think the interviewer wants to hear (Yin, 2007). Therefore, these issues were taken in consideration both before, throughout the interview and when evaluating and using the data (Backman et al. 2012). By being open-minded and asking more open questions the researchers were also able to avoid influencing the respondents, which enabled new questions and information to arise during the interview. As it is important that the respondent is informed about the aim of the interview and aware of the purpose of the study the interview questions were sent beforehand to the respondents.

In-depth interviews are time consuming and therefore this method was only used when studying the managerial perspective. However, for the consumer perspective, the authors considered focus groups to be a more appropriate method.

### 3.5 Focus Groups

Many qualitative studies rely on interviews as the main method for collecting empirical data. An alternative to regular one-to-one interviews is the group and/or focus interview, which take place on a one-to-many basis (Easterby-Smith, Thorpe & Lowe, 2008). The decision to conduct focus interviews may be based on several different factors, but in general the decision is based on the fact that there is an interest in exploring how people discuss a certain topic as part of a group (Bryman & Bell, 2011). This gives the researcher the ability to see how individuals react to each other's opinions, and how they collectively make sense of the discussed issue. Hence, focus groups have the ability to explore respondents' attitudes, perceptions and feelings about a certain topic (Putcha & Potter, 2004). This makes focus groups especially suitable for understanding the social constructs held by the respondents as well as their thinking and interpretation of an unclear situation (Easterby-Smith et al., 2008). Focus groups also allow the researcher to gain a thorough understanding of why people feel

the way they do, since participants tend to challenge and probe each other's answers (Bryman & Bell, 2011). Given the thesis purpose, focus groups deemed appropriate as they enable exploration of how and why people respond to constructs such as mobile marketing and branded applications the way they do. The choice to use focus groups is further supported by the fact that this method has been successfully used to assess consumers' responses to new products and marketing efforts (Bryman & Bell, 2011). It is also one of the most a time and resource effective ways to collect empirical information from a larger number of respondents when conducting a qualitative study, which explains why other qualitative methods such as ethnography was disregarded (Bryman & Bell, 2011). However, an alternative method that could have been used is questionnaires, but since they have a tendency to constrain the respondents' answers, focus groups seemed more appropriate as they allow the respondents to express their opinions in their own way (Putcha & Potter, 2004). The authors also found it hard to create a questionnaire with appropriate questions as research in this field is limited. Hence, it would be hard to motivate why certain aspects were measured and analysed instead of others.

Since the purpose of focus groups is to uncover how participants view a certain issue the researchers often aim to provide a fairly unstructured setting, which helps extract the respondent true opinions. Hence, it is important to choose location with care to make sure that participants feel comfortable with expressing their view in the group and take part in the group discussion (Easterby-Smith, Thorpe & Lowe, 2008). The focus groups were therefore conducted in-group rooms in the city library in Helsingborg and Malmö, which both are neutral and closed environments. This setting was chosen to make sure that the participants felt at ease and it was made sure that no-one outside of the focus group would be able to hear or interrupt the discussion taking place.

The person that leads the focus groups has the role of an initiator and facilitator, and is called a moderator (Bryman & Bell, 2011; Putcha & Potter, 2004). This person is expected to guide the interview, but at the same time make sure not to be too intrusive (Easterby-Smith, Thorpe & Lowe, 2008). It is important that the moderator has the ability to make people talk at the same time as he or she must make sure that the participants do not deviate from the specific subject (Putcha & Potter, 2004). Therefore, the two moderators that took part in the focus groups were well prepared and held an introduction where they set the tone of the group discussion. The moderators made sure to seem casual to induce an informal ambience, which made the focus group feel comfortable with having them observing the discussion at the same time, as they made sure not to be confused with one of the other participants. Hence, compared to other interviews the moderators of focus groups are less involved in the discussion and are therefore, if conducted in the right way, less prone to influence the data (Bryman & Bell, 2011)

As it is important that the focus interviews are at least semi-structured it is recommended to use a "topic guide" to give the interview its needed structure (Easterby-Smith, Thorpe & Lowe, 2008; Bryman & Bell, 2011). Before the focus interviews took place the moderators conducted a topic guide where several questions and topics were written down to aid them

during the interview. The questions in the guide were based on the theoretical framework presented in the previous section, which aimed at uncovering the participant's attitudes towards mobile applications in general and especially for the two branded applications. To aid the discussion further the participants were asked to look at and try the branded application during the interview. The topic guide gave the interview its needed structure and enabled the moderators to get the group back on track if they deviated from the topics that should be discussed. By following the topic guide the moderators could also make sure that all important aspects of mobile applications were considered and nothing forgotten. The topics and questions included in the topic guide were chosen based on their relevance to the thesis' purpose. Hence, the first part of the topic guide includes general questions about mobile marketing, which aims to create a broader understanding of how consumers view mobile marketing and mobile applications in particular. This was considered necessary since it would create a good basis for asking more specific questions about the two branded applications. Without this structure a lot of valuable information could have been lost, and the authors would have lacked the ability to see the bigger picture. The topic guide used can be found in Appendix C and D.

The participants were also prepared by being asked to download the branded application that would be discussed during the focus group. This was to save time during the discussion so that more focus could be on the actual questions included in the topic guide. It also gave the participants the ability to get familiar with the application and evaluate it individually before the group discussion took place. Preparations like this may go against what is usually recommended, but the authors do not believe that this influenced the study in a biased way. On the contrary, the authors believe that this preparation aided the discussion and gave more comprehensive answers. Hence, the authors were able to attain a better understanding of the consumer perspective.

Focus groups usually involve 6-12 participants, since too big groups usually result in less involvement from each participant (Bryman & Bell, 2011). Since the researchers wanted to make sure that everyone in the focus groups had room to express their opinion, each group had six participants. This also made it easier for the moderators to follow the discussion and take notes of interactions between the participants.

When using focus groups as a method there is always the question of how many groups to include in the study. Too many groups will often lead to saturation and is often very time consuming (Bryman & Bell, 2011). However, one group will not be sufficient either, since there is always the risk that the answers are specific to that one group. The aim is often to conduct as many focus groups as needed until theoretical saturation is reached, i.e. the answers keep repeating themselves (Bryman & Bell, 2011). The authors knew that due to time limitations this would not be fully achieved, but after having conducted two focus groups for each brand sufficient information was gathered for the authors to be able see patterns in their attitudes.

When using focus groups as part of a research method one has to be aware of the challenges and issues that have been raised regarding this specific method. Researchers need to consider the problem with reliability, which in this case is focused around the fact that the moderator may interpret the things said in a biased way (Bryman & Bell, 2011). This is something that has been dealt with by being two participating moderators in each focus group. Each interview has also been recorded and transcribed to make sure that others can repeat and interpret the interviews themselves. Social pressure is another factor that has been taken into consideration, and the authors have discussed how this may have affected the participants' willingness to express the opinion.

### 3.6 Sampling

When selecting participants for the focus groups a purposive sampling was used, which is a non-probability form of sampling (Bryman & Bell, 2011). Easterby-Smith, Thorpe and Lowe (2008, p. 343) define non-probability sampling as *"sampling designs where the likelihood of each population entity being included in the sample cannot be known"*. This means that the assumptions drawn about the population based on a specific sample is done with less confidence compared to probability sampling.

However, the aim of purposive sampling is to give the researchers the ability to sample respondents in a strategic way (Bryman & Bell, 2011). This is the main reason why purposive sampling was applied because it gave the authors the ability to make sure that the participants were relevant to the research questions explored. Only those that were most likely to contribute to the understanding of mobile applications were interviewed, i.e. people with a Smartphone. (Bryman & Bell, 2011).

The purposive sampling had its basis in the target markets of the two brands included in the research. This decision was based on the fact that the authors not only wanted to explore how consumers view mobile applications in general, but more importantly the two specific branded applications.

The respondents that participated in the focus groups for Kungsörnen were sampled based on their interest for food and baking. Since these are interests that are common both within the younger and older population the authors decided to divide the groups by age, which could give insight to if there are any differences in attitudes towards mobile applications between the two age groups. Hence, there was a younger focus group, consisting of six food-loving participants between the age of 20-35, and another focus group consisting of six participants between the ages of 40-55. All of the participants were familiar with the brand, and moreover potential users of their products.

The participants for Nespresso's focus groups were sampled based on their love for coffee. Since Nespresso has a quite broad target market all coffee drinkers that value high quality were seen as potential participants. At the beginning the aim was to include only those who already were members of the Nespresso club, but since the current customers were reluctant

to participate the focus groups included both current and potential customers. This proved beneficial since the authors gained two totally different perspectives on the subject, which also gave insight to how applications are and/or can be used to attain new customers. The focus groups for Nespresso were also divided by age and the same age intervals as mentioned above were used.

To give a better picture of the participants included in the different focus groups a participant guide has been conducted and can be found in Appendix E. In this guide all the participants' names are pseudonyms, which they were given to protect their privacy. The authors believed that this would enhance the participants' willingness to share their opinion and give them a more genuine understanding of the consumers' towards mobile application. However, the description of the participants reflects their true identity and is not modified.

As coffee and baking are unisex interest today the emphasis was not primarily on gender when sampling. An even distribution of males and females were sought after, but in the end all four groups consisted of a majority of females. However, as they were sampled based on their suitability for the research, the authors did not believe that this would influence the findings in a substantial way and therefore this has not been taken into further consideration.

## 3.7 Method of analysis

Both focus groups and in-depth interviews were included in the empirical material to attain data triangulation, which helps increase the validity of the study. All the material was recorded for the authors to be able to transcribe the material and both authors took part of the analysis to offset subjectivity. While transcribing the recordings, the authors were able to listen more carefully and scrutinize their findings once again. Subsequently, the transcribed material from the in-depth interviews and the focus groups was used to gain a more comprehensive understanding of what role mobile marketing have in order to strengthen the brand. After having transcribed both the interviews and focus groups the material was discussed with the intention to avoid biased interpretations, which also generated a better understanding of what should be emphasised in the analysis. Hence, the authors focused on finding significant and interesting topics among the empirical findings to base the analysis on.

The topic guides had the same structure for each focus group with the intention to find patterns of the consumer's attitudes towards mobile applications and to emphasise the significant and interesting opinions from the focus groups. Likewise, the interview questions were designed in a similar way to aid comparison. This enabled the authors to gain a broader understanding and compare the different brands with the consumer perspective as well as with each other.

## 3.8 Reliability and validity

To demonstrate the quality of a study, the most commonly used concepts are validity and reliability. However, since these terms are taken from quantitative research they differ when used in a qualitative research. In a qualitative research the researcher is the research tool and thus replication is not possible (Daymon & Holloway, 2011). However, to create reliability in

a qualitative research, focus should be on providing a detailed description of the on-going actions and present the process by which the researchers came to their decision (Daymon & Holloway, 2011). Therefore, to achieve reliability, the method chapter has given an extensive description of how this study was conducted, why the companies and respondents were chosen and how the findings were analysed. This was done in order to strive to enhance the reliability of the study and to enable the readers to scrutinize how the findings and conclusions were reached.

In qualitative research the concept of validity is more prominent than reliability (Daymon & Holloway, 2011). In a qualitative research the concept of validity does not deal with measurements and is understood differently. External validity, which is resembled with generalizability, is an issue in qualitative research since generalizability exists when your findings and conclusions are applicable to other contexts, settings or larger research population (Svensson & Starrin, 1996; Yin, 2007). In this study, the aim is not to generalize, because then a quantitative research would be preferable. This study is developed from two brands and four focus groups, thus the aim is rather to do a comparative study. Additionally, by using data-triangulation such as in-depth interviews and focus groups, the aim is to increase the quality and the validity of the study by understanding the purpose from multiple perspectives. However, since reliability and validity are not best suited for a qualitative research, the trustworthiness of the study is of importance (Daymon & Holloway, 2011). The level of trustworthiness is defined by the following criteria:

*Credibility* can be showed through the meanings of the findings, which can be done through presenting the research methods used and how they will complement each other. Additionally member checks can be used during interviews to make sure that there is a mutual understanding of the study between the respondent and the interviewee (Daymon & Holloway, 2011). Hence, during the interviews the authors made sure that there was a common understanding by summarizing what was being said to avoid assumptions to be drawn. To enhance the credibility of this study the method chapter, as mentioned, has given descriptive insights to which methods that were used and why. Moreover, all the interviews have been recorded and transcribed in order for the authors to go through the material and check their understanding. This is to make sure that the interpretation of what was said is done correct, which enhances the study's credibility.

*Transferability* is achieved when guidelines or models that have emerged from the study is shown to be applicable elsewhere (Daymon & Holloway, 2011). Due to limited time and access, the authors did not have the resources to test the developed framework for branded applications on other brands. Hence, this model needs to be supported with further empirical research before it can give general guidelines. However, the model is designed to aid future research in the field and can support research for similar brands, which increases the study's transferability.

*Dependability* is achieved when the findings are consistent and accurate (Daymon & Holloway, 2011). Hence, in this study the respondents have verified all empirical findings and

secondary sources, such as books and articles, have been collected from the Lund University Data Base, which also have been scrutinized by other academics. Information from web-based sources has been carefully collected from credible sources, with valuable knowledge within the field.

*Conformability* is linked to neutrality and objectivity (Daymon & Holloway, 2011). Although the authors have tried to be neutral and objective, they are aware that their own characteristics and background may have influenced the study and the findings (Backman, 2012). However, both authors have scrutinized the theories and empirical findings to avoid biases, which has improved the study's conformability.

## 3.9 Limitations

The method chosen for this thesis has affected how the research has been conducted and due to the decision to apply a qualitative research design, generalizations cannot be drawn. The time and access limitations restricted the researches from include additional brands and focus groups. Hence, to be able to draw general conclusions the researcher should have conducted a quantitative method, which as mentioned was not an appropriate method given the aim of the study.

Mobile marketing is a new phenomenon and therefore it was a sensitive subject for the included companies to discuss. Hence it limited the respondents' answers since they did not want to share their strategies and thoughts with their competitors. However, in spite of having a sensitive topic the respondents' answers were comprehensive enough for the researchers to gain an understanding of their work, although more information would have led to a deeper understanding. Additionally, time constraints from the companies' side and lack of knowledge within the field of mobile applications, limited the authors to only conduct one interview with Kungsörnen, and two with Nespresso. However, the authors were able to carry out follow up interviews, which enabled more information to be obtained. More respondents would probably have given this study a broader understanding and a more objective view of the companies' strategies.

Due to time limitation the authors were only able to conduct four focus groups, but since saturation was not fully reached the authors would have preferred to conduct more interviews until this was achieved. However, the focus groups' answers were quite similar which was enough to give an enhanced understanding of the consumer perspective. Further, due to difficulties putting together a group the same time and day, the authors settled for six persons in each group since it according to the literature was a proper number when conducting a focus group. However, the consumers in the older group were not as educated and experienced about applications as the younger group, thus their answers were not as comprehensive. This limited the use of the empirical findings from the older group, which affected the analysis as more emphasis has been put on the data collected from the younger groups.

When conducting a focus group, social pressure may become an issue. This was more distinct in the older groups, which may have had to do with their limited knowledge about mobile applications. Hence, they were more cautious about expressing their opinion and waited for others to agree with them before they dared to extend their arguments. Although, the authors tried to avoid social pressure by gathering a cohesive group of people with similar interest in a neutral setting, this could not be eluded. However, whenever this became evident the moderators tried to challenge the group by asking follow-up questions. Regardless, the authors are aware that the findings from the older groups may have become biased because of the social pressure, and even though this has been taken into consideration when analysing the material, there is still a risk that the empirical data may be one-sided.

## 4. Empirical findings and analysis

*Given the aim of this thesis, this chapter will start by presenting the managerial perspective of branded applications, followed by the consumer perspective. In order to avoid repetition and a monotone dialogue the authors chose to analyse the managerial perspective with theories when presenting the findings from the interviews. However, since focus groups enable a more nuanced discussion where specific arguments give significant insights, the authors wanted to avoid framing the consumers' view based on theories. Therefore the consumer perspective is presented as pure empirical findings. These two sections are followed by the main analysis, where both the managerial- and the consumer perspective are compared with each other. Finally, an analysis of the opportunities and challenges with branded applications is presented, which have emerged from the empirical findings and the theoretical framework.*

### 4.1 Nespresso

The findings presented below are based on the interviews with Stefan Persson, Senior Business Controller and stand-in for the Country Manager of Nespresso Sweden, and Ola Secher, Boutique Manager in Malmö.

#### 4.1.1 The Nespresso Brand

Nespresso's business idea is to *"enable anyone to create the perfect cup of espresso coffee"* (Nespresso, 2013a), and according to Persson Nespresso's brand is developed around service and quality to be able to fulfil this goal. Moreover, the brand strives to offer the best quality coffee and service to all coffee lovers, and provides a unique brand concept that is built upon excellence (Nespresso, 2013b).

Nespresso's core values, quality and service, are characteristics that together with the relatively high priced products and exclusive distribution channels make up an excellent example of what Quelch (2006) defines as a premium brand. Since Nespresso's products are quite expensive and the consumers' evaluation of a purchase therefore takes longer, the brand could also be described as a high involvement brand (Kumar, 2007).

Since the brand is an image creator it is of great importance that there is a clear picture of how the brand wants to be portrayed before this image is projected to the public (Melin 2002; Kapferer, 2012). Persson explained that since Nespresso is part of the Nestlé group most of the decisions regarding the brand's marketing strategy are made centrally. This has been a way to create a coherent brand image across all nations, and each region is therefore restricted in how they are allowed to present the brand in media.

*"Since a consistent brand image is of such high importance we only want to be associated with other food and drinks that deliver the same service and quality."* (Persson, 2013)

However, even though Nespresso has a strong vision of what the brand represents and they have taken several precautions not to dilute the brand, the consumers do not always share

their understanding. Persson mentioned that a consumer survey in Sweden revealed that a high number of respondents did not know the difference between Nespresso and Nescafé. This shows how hard it can be to communicate a consistent brand image even though you have a clear image of the brand within the organization. Persson believes that the reason why an awareness of the brand image is lacking is because they only have two boutiques in Sweden, one in Malmö and one in Stockholm. This means that customers who live outside of these cities are referred to Nespresso's online distribution channels or to electronic retail chains, where they are not met by the same service as they would in a Nespresso boutique. Hence, these channels have a harder time communicating the Nespresso concept, which leaves the customers with an unclear image of the brand. This implies that Nespresso has not been able to live up to Kapferer's (2012) recommendations when it comes to communicating the brand in a coherent manner across all channels. However, even though the image may not be communicated as well through Nespresso's online channels Persson expressed that they want 60 per cent of their sales to be made online. This is explained by the fact that the negative aspects of the online channels are offset by the high cost of running a boutique.

For quite a while Nespresso did use advertisements to create awareness, instead they trusted their own distribution channels and loyal Nespresso Club members to spread the word about the brand.

*"The Nespresso Club has always been an important communication forum, and it has helped create brand loyalty as well as making the consumers feel more connected to the brand".* (Persson, 2013)

Persson explained that Nespresso did not start with regular one way advertising until 2009. Since then Nespresso has been an active user of different spokespersons and have collaborated with celebrities and different expert spokespersons, such as the Swedish National Chef Team. According to Stone and Desmond (2006) it is a wise choice to use expert spokespersons when advertising for a high involvement brand, which indicate that Nespresso has considered the specific advertising tactics that are suitable for them. As mentioned by Dahlen, Lange and Smith (2010) advertisements for a high involvement brand also need to contain more comprehensive information, and therefore these brands need to carefully evaluate which media that is best suited given how much information it can hold. Persson stated that this is an issue that Nespresso is well aware of and is taking into consideration. However, he still stressed the importance of following the trend when choosing media, which is in line with Keller´s advice (2011) to dare to try new, emerging channels. Hence, as the information technology advanced Nespresso decided to take the step to go online and later implement mobile marketing.

### 4.1.2 The Nespresso application

*"If we don't have an application we are not up-to-date, so we did not have a choice."*
*(Persson, 2013)*

As the mobile environment expanded, more and more brands developed branded applications to benefit from the opportunities that this new media offered (Magrath & McCormick, 2012). The above stated quote indicates that Nespresso saw it as a necessity to develop an application and has over the years worked on improving Nespresso's application. At the moment they strive to give it a more customer-centric approach, which according to Udell (2012) is of great importance. Hence, it is essential that a branded application entails functions and content that mirrors the consumers' usage of the application (Mobile Marketing Association, 2009b). This has lead Nespresso to create an application with a clear utilitarian style, which Bellman et al. (2011) would classify as an informational application since it clearly helps the customer with a specific task, i.e. to find and purchase different Nespresso products.

According to Persson the Nespresso application is a complement, and not a substitute, to other distribution channels and primarily targets current customers that are familiar with brand concept. Hence, the application is used more as a distribution channel than a communication tool as it only can hold a limited amount of information. Shankar and Balasubramanian (2009) explain that issues, which are linked to the limited communication that can take place on a mobile device, often are offset by the benefits of a more frequent interaction with the consumers. Persson confirmed this theory by stating that he has seen an increase in the number of sales being made through the mobile application compared to the brand website. Hence, the simplicity of the application and the fact that it is always available to the consumer seems to make it easier for customers to follow through with their purchase intentions.

*"Nowadays, 50% of all purchases made online stem from the Nespresso application."*
*(Persson, 2013)*

However, in the case of Nespresso it seems as if the issues with limited communication also has created concerns that cannot be offset by any of the positive aspects regarding mobile marketing. Persson explained that one of the main problems with the application evolves around the inability to communicate the added value that the brand offers in terms of service and quality. He continued by stating that it is preferable if the customers have a good image of the brand before they start using the application. Even though Nespresso has managed to include features such as the brand logo and name, which according to Magrath & McCormick (2012) makes the brand more recognizable and increases brand awareness, the application lacks the ability to communicate the brand's core values. Secher agreed with Persson regarding this matter and said:

*"When ordering online or through the mobile application the personal service is lost, which is the most valuable element of the Nespresso concept."*

Hence, he believes that it is more difficult to reach out with the right brand image through these communication channels. Since consumers usually choose brands with images that they reflect having themselves a vague image challenges their ability to find a personal connection to the brand, which will affect the brand engagement and brand loyalty in a negative way (Kapferer, 2012). Persson is aware of this and stressed that an unclear image will make it easier for consumers to replace Nespresso with another coffee brand. Hence, if Nespresso cannot communicate the brand in a consistent manner to their consumers across all channels they risk losing part of the customer base (Udell, 2012). However, according to Persson this problem is often avoided by the fact that the interaction between the brand and the consumers usually takes the shape of a three-step process: first, the customers get in contact with the brand through visuals such as brochures and ads in the boutique or at retailers, the second step is naturally the internet, which is where they gather more information and place their first order and then finally, when they have knowledge about the product and the brand they turn to the application.

As consumers initiate the contact with the brand when downloading an application, the application's success depends on the level of brand engagement that has been created (Chiem et al., 2010). Chiem et al. (2010) therefore stress the importance of creating incentives that encourage the consumer to engage with the brand through the application. Besides offering an easy route to purchase, Nespresso's application gives short information about new products and flavours, which help the consumers to keep up-to-date with the brand on a continuous basis. Persson explained that this encourages consumers to try new products and also get them more involved with the brand. Nespresso's application also contains some instructional content, such as recipes for different coffee drinks, which according to Udell (2012) helps the consumers to incorporate the brand in their daily routines and increases brand engagement.

According to Bellman et al. (2011) promotion is of great importance if the application is going to succeed, and Nespresso seems to have realized this as they now are starting to promote the application both in their boutiques, on their website and on product packages. Secher explained that as the application has been revised they are ready to put resources in promoting the application to the public. Both Persson and Secher think that the application is good complement to the other distribution channels, but still believe that consumers will prefer the boutiques.

*"Our customers in Stockholm and Malmö prioritize the boutiques and see them as added value as they were the main reason why they chose Nespresso in the first place."(Persson, 2013)*

However, Persson will continue to follow the developments within the mobile forum and is looking forward to being able to present an application that can be customized to each customer's needs and desires.

**4.2 Kungsörnen**

The findings presented below are based on the interview with Johan Wernvik, Digital brand manager at Lantmännen.

*4.2.1 Kungsörnen's brand*

*"Kungsörnen has worked hard at creating a familiar and traditional image." (John Wernvik, 2013)*

According to Wernvik Lantmännen wants to be seen as an expert brand within the grain industry and he expressed a desire to be the brand that teaches the consumer how to use the different grains in the best possible way. As Kungsörnen is a product brand that is part of the Lantmännen Group they want the brand to reflect the same expertise, but also differ from other brands in their portfolio by having a more familiar and traditional image in comparison to the brand GoGreen, which has a more healthy and modern image. This supports Keller's (2011) argument that every product brand should deliver one unique brand promise to satisfy different consumer needs.

Additionally, Kungsörnen can be defined as a low involvement brand since the brand consists of product types such as flour and pasta, which are products with a low price, the risk is perceived low when buying the product and the interest for the product from the consumer is often lower as well (Kumar, 2007; Dahlen, Lange, Smith, 2010). Kungsörnen's brand loyalty is gained foremost through their advertising and because they have low involvement products, Wernvik explains that the brand focuses on creating awareness. He believes that the consumers buy the brand because it is familiar and Kungsörnen has worked hard at building consumer trust since they entered the market in 1929. This strategy supports the theories about low involvement products and the fact that these types of products requires reminding people of their existence and less on giving information about them, thus the adverts can be placed in media where the information space is lower (Dahlen, Lange & Smith, 2010). Furthermore, low involvement consumers evaluate which product to buy based on associations and familiarity (Stone & Desmond, 2006), which makes Kungsörnen's position as a familiar brand valuable in the buying decision process.

To create brand awareness, Wernvik explains that they communicate the brand by using a broad spectrum of communication channels in their marketing efforts, but at the moment they mostly use TV commercials and advertisements. Wernvik states that mobile marketing is an integrated part of the communication mix, and all decisions regarding which communication channel to use are based on the potential of each individual media. It usually depends on what the idea is and how the different channels can complement each other to create a better overall message. Wernvik indicates that mobile applications in that sense are a complement to other communication channels, which all are evaluated on their different strengths and weaknesses. Hence, their ability to communicate the message in a convincing way will determine which

channel that is used. According to Wernvik, Kungsörnen's communication is coherent through all the channels, which Kapferer (2012) stress is essential when building a brand.

### 4.2.2 Kungsörnen's application

*"Applications are very personal and they have the ability to build a strong personal database that saves history about the consumers' usage patterns and interests."* (John Wernvik, 2013)

This can be compared to Shankar & Balasubramanian (2009) statement that mobile marketing have the ability to better measure and track consumer response, which is one of the benefits with using this channel. Further, Bellman et al. (2011) state that the increased interest in branded apps is due to the user engagement and the positive effects this has on attitudes towards the specific brand. Wernvik address this theory by explaining that applications have a great ability to create loyal consumers and sees Kungsörnen's baking application as a carrier of loyalty, which has generated new possibilities to reach the customers. Shankar & Balasubramanian (2009) stress that the real advantage is the ability to reach the consumer frequently throughout the day, however, Wernvik declares that although applications can reach their customers there are challenges with applications, which he foremost stress is the inability to create a comprehensive dialogue with the consumers.

*"The demand for recipes has never been bigger, which made the decision to create a baking application a natural step in Kungsörnen's communication strategy."* (John Wernvik, 2013)

Wernvik explains that the decision to launch Kungsörnen's baking application was taken when the current baking trend grew and the technology advanced. Parallels can be drawn to Udell's (2012) theory the states that branded apps need to apply a consumer-centric approach, and include content that is relevant, timely and actionable. According to Wernvik the consumers welcomed the application and Kungsörnen views the application as a new and trendy way to promote their recipes and products.

According to Wernvik Kungsörnen's baking application has been a success so far, and the target market seems to be willing to take time and effort to download the application. What Kungsörnen has achieved supports Udell's (2012) statement about branded applications and their ability to pass on valuable and educational information about the brand and/or its products. It is common to include more instructional content such as product tips and other helpful guidelines that aid consumers to more effectively use and integrate the brand in their daily life, which Kungsörnen has done with information about their different flour types and a short introduction about Kungsörnen in the app. The app also serves as a guide for what flour to buy when baking a chosen recipe.

It is important that branded apps support the brand's core qualities and that the brand integrity is maintained across all communication channels (Udell, 2012; Magrath and McCormick 2012), which Kungsörnen has achieved by having their brand image, which is traditional and

familiar, reflected in the application. Additionally, by having Kungsörnen's patterns and logos included in the application, the features that the consumers already associate with the brand can be reinforced, which according to Udell (2012) will strengthen the connection between the consumer and the brand.

*"It is all about having a good idea, the application will not be downloaded by itself and you therefore need to promote it through other communication channels to get a broad breakthrough and succeed. It is also of importance to build an application that can be used over time, and not just for one single use. Applications should strive to create a long-term usage by challenging current status quo."* (Wernvik, 2013)

These were a few key factors Wernvik expressed that they kept in mind when launching the baking application. According to Tuten (2008), when brands want to enhance the engagement marketers should provide action-oriented experiences allowing consumers to interact with the brand. Kungsörnen has created an interactive application, however according to Wernvik, they have not spent a lot of time and resources on promoting the application. Wernvik explained that they have had a few in-store advertisements and also used other digital channels, such as Kungsörnen's webpage, to raise awareness of the application, but he emphasise that a lot more can be done and they need to work harder on informing the consumer about the application's existence.

However, at the moment Wernvik is satisfied with the current baking application and does not see the point in creating a new one just for the sake of it, he expresses that Kungsörnen will keep focusing on mobile marketing, as the consumers' interaction with brands moves towards the mobile forum. This supports Keller's (2011) argument that the marketers need to learn about the evolving channels and dare to take on new challenges by incorporating them in the communication strategy.

## 4.3 Main findings of the managerial perspective

Below the main findings from the in-depth interviews will be presented and highlighted.

- *Be up-to-date*: As well-known brands, both companies highlighted the importance of being up-to-date with new communication channels.

- *Seeing application as a complement*: As application has limitations it should be viewed as a complement to other communication channels rather than substitute.

- *Awareness:* An application is a good tool when attempting to increase awareness for the brand and its products.

- *Engagement:* Both brands strive to create engagement with their consumers by providing content and functions that the consumers demand.

- *The importance of a coherent brand image:* The findings indicate that the complexity of a brand image determines the brands ability to create a coherent brand image across

all communication channels. For Nespresso it has been more difficult to create a consistent brand image.

- *Loyalty*: The findings show that both brands strive to create brand loyalty through their branded applications.

- *Promotion*: Neither of the brands has successfully promoted their application but are starting to see the importance of it.

## 4.4 Consumers' view on Mobile applications

The following sections include discussions and findings from the four focus groups held. All the names mentioned are pseudonyms, as the participants were promised anonymity.

### 4.4.1 General understanding of mobile marketing and applications

*"An application is something that simplifies everyday life for the consumer!"* (Lars, 55 years old)

*"Just another channel for marketers to communicate their message.*" (Karina, 48 years old)

The older focus groups shared the understanding that mobile marketing enables marketers to reach more consumers and gave SMS as an example of mobile marketing. The younger groups on the other hand immediately thought of annoying push notifications that pops up when they use their phone. However, they also consider SMS as mobile marketing.

*"When I hear the word mobile marketing I immediately think of irritating push notification, that you can't get past when you are surfing the web on your phone."* (Emilia, 20 years old)

*"I think of text messages, sales messages from H&M and Groupon for example.*" (Emmy, 30 years old)

The older focus groups do not find SMS and push notifications irritating since they can easily delete these messages. However, they suggested that one reason to this may be that they do not use their mobile phone as frequently as the younger groups.

> Lena: *So easy to delete these messages so I don't mind getting text messages.*
> Karin: *I agree! You choose which companies to give your phone number to, so in that sense you can decide if you want to receive messages or not.*

All four focus groups shared the understanding that they do not see mobile applications as advertising.

*"Don't find mobile applications intrusive, never thought of it as marketing."* (Pelle, 40 years old)

*"Don't view mobile applications as marketing since you choose to download them."* (Emelie, 21 years old)

Hence, the younger groups do not find applications intrusive, at least not the applications they currently use. They declared the reason to be that they choose which applications they want to download and in that sense they are in charge of which brand they interact with. They stress that applications often use more subtle marketing, which catches their attention in an unconscious way. However, they also explain that if it feels like marketing it may have a negative affect on the brand, and explain the reason to be that they get bombarded with marketing messages through other channels and they do not want it in their phone.

*"You don't want push notifications on your phone, since your mobile phone is more private."* (Emilia, 20 years old)

*"The app is a tool and should benefit you not control and try to influence you, if it does it becomes annoying."* (Niklas, 25 years old)

However, the participants agree that if a brand makes an app that is good and fills a function they do not disapprove when the brand throws in some advertising.

*"I don't mind taking part of advertising on applications that I have downloaded if they actually offer a function that I value."* (Harald, 30 years old)

Hence, the younger focus groups are clearly more disturbed by push marketing in comparison to pull marketing. It is therefore of importance that branded applications do not include push marketing if they want to reach acceptance from the younger target group.

### 4.4.2 Purpose of downloading an application

*"You often download an application if someone recommends it to you. I wouldn't search for an application, so the only applications I have are recommendations from peers."* (Karin, 45 years old)

The older groups all agreed that they only download an application if they are recommended one and rarely search themselves. To some extent the participants rely more on third parties compared to traditional advertising when downloading an application, which is clearly expressed looking at the older groups' behaviour.

*"I download most applications because they are for free but if it doesn't meet my expectations I delete it."* (Nils, 24 years old)

*"It is also important that they have a lot of stars in their review, which would make me choose that application prior to others."* (Emmy, 30 years old)

This reflects that the younger generation are more willing to try different applications and if it does not meet their expectations immediately, they will delete it. Further, they explain that reviews, on for example app store, are important when they are searching for a new app, as well as if they search on a keyword the app needs to appear as an alternative. If neither of these two aspects are fulfilled the branded application will not be consider as an alternative.

The older groups' discussion indicated that they do not use many entertainment applications; usually they only use them once and then forget about them. They mostly use applications for convenience, which satisfy a specific need.

> Tina: *I may use entertainment application one time and then I forget about them.*
> Karina: *I download applications that I need, that I benefit from. Should make life easier!*
> Göran: *I agree, I choose applications based on their function. They should entail a functionality that I desire!*

The younger participants also mostly use applications with a function, such as weather applications, and banking applications. The younger participants highlight the following elements as important when using an application:

> Katja: *It needs to be easy and fast!*
> Harald: *There should be a balance between simplicity and complexity!*
> Niklas: *If it is too simple it becomes boring and then I rather go online, hence the app doesn't serve a meaning.*

The younger group defined when they choose an app compared to the Web in the following way;

*"I go on the Internet to find information and use applications when I need a certain function." (Katja, 28 years old)*

They continue this discussion by stating that sometimes if they have a brand they like they will download the app to be able to find news about the products. However, to download a branded app they clarify that you need to be a fan of that specific brand. Brand engagement and loyalty is thus expressed as factors that may influence which branded app you download.

*"I definitely believe that the personal engagement towards the brand affects which brand you download. I am convinced that you are more prone to download an application for a brand that you engage with frequently."* (Charlotte, 43 years old)

*"I have actually searched for a Honda application, because I am a big fan of this brand, so I believe that brand loyalty influences which application you download. But you will only continue using it if it lives up to your expectations."* (Niklas, 25 years old)

It could on the other hand be that the app has good functionality but you don't necessarily like the brand.

*"I feel dependent on some branded applications, hence I download some applications because they offer a service that I can't get from anyone else. This is even though I don't like the brand! "* (Helmer, 34 years old)

This indicates the importance of building an application around a function, which the consumer demands for. Hence, if consumers are to interact with branded applications repeatedly it needs to offer added value that facilitates their everyday life, otherwise the consumers will turn to another channel to get their need satisfied. More importantly, if marketers achieve this, consumers will be more prone to recommend the brand and its application, which brands should strive for since these findings prove that word of mouth is a more successful marketing tool compared to traditional media.

### 4.4.3 Benefits and expectations of applications

The general understanding is that the participants choose application depending on their specific need at the time, and they agreed that if they like the application they have downloaded, it will probably makes them more positive towards the brand.

> Karin: *If the application lives up to your expectations, you will probably like the    brand more than you did before.*
> Pelle: *You will probably be more prone to buy products from brands you have interacted   with through applications.*

As long as the application lives up to their expectations the interest in the brand will increase and they find it hard to see that it would have the opposite effect. However, the younger groups clarifies this by stating:

*"If the application doesn't live up to your expectations, it will have a negative effect on the brand."* (Sabina, 25 years old)

Some of the younger participants also believe that they would buy more if they had a branded app but not everyone shared this understanding.

*"Well, I have the Arla application because it offers really good recipes, but I would never buy Arla butter or milk in the store. Hence, this application hasn't made me purchase more Arla products."* (Emmy, 30 years old)

As expressed by the younger group it takes more effort from a low cost brand to create interest and loyalty towards the brand. Hence, they expect low cost brands to provide an application with a function that benefits them, while other brands may rely on their brand concept to create awareness and engagement.

> Nils*: If it is a low cost product, I think it is more important that it fills a function that triggers me to download the application. I wouldn't search for a low cost branded application; it needs to fill a function in my everyday life.*
> Helmer*: I wouldn't have downloaded Eldorado's application for example.*
> Nils: *I believe if the app fills a function people will use it and then some per cent will buy it, which is good, otherwise they see the logotype, and that gets stuck in their mind.*

This indicates that sometimes the function is the focus and not the brand. However, even though their is no general interest for the brand the branded application may induce awareness in the consumer's mind which may results in an unconscious preference for the brand in a buying decision.

Finally, all participants shared the understanding that the application should not disturb, and they repeated that if the branded app is seen as positive and live up to their expectations, they believe that it will have a positive influence on the brand relationship. Hence, they will be prone to become more loyal to that brand.

### *4.5* Consumer's perspective - Nespresso

The following findings are based on quotes and discussions between the participants that took part in Nespresso's focus groups. The main topics were mobile marketing and Nespresso' application.

### *4.5.1 Nespresso's image*

"*Nespresso is an expensive brand, but in a good way! I would describe the brand as luxurious and exclusive.*" (Karin, 45 years old)

"*Their design is definitely unique*!" (Sara, 23 years old)

Given the statements above Nespresso seems to have created awareness among both the younger and older generation. The two groups had a common understanding of the brand's image and used words such as "*quality*" and "*exclusiveness*" to describe the brand. Lars and Emilia eagerly pointed out that Nespresso was the first company to introduce capsule machines and has therefore gained a top-of-mind awareness.

"*They were the first brand to enter the market, hence I would never consider buying a different brand.*" (Lars, 55 years old)

*"Their competitors feel like copycats! Wouldn't trust them to have the same quality as Nespresso."* (Emilia, 20 years old)

This indicates that Nespresso have succeeded in communicating their unique concept. The fact that Nespresso has gained a top-of-mind awareness and that all participants got in contact with the brand through recommendations, were said to be the main reasons why Nespresso would be chosen prior to any other brand.

### 4.5.2 Impression of application

*"The application is modern and it portrays the exclusivity associated with the brand."* (Pelle, 40 years old)

The older focus group agreed that the Nespresso application had a modern feel, which corresponds with the image they have of the brand. The younger group also said that the layout of the application supported their image of Nespresso.

> Sara: *The application is very stylish, it has an aura of premium around it.*
> Emilia: *It feels very Nespresso!*
> Harald: *The layout is very nice... Feels simple!*
> Emilia: *However, I miss George Clooney!*

Early in the discussion participants from both focus groups brought up the fact that the application does not hold any information about the brand and its concept. Both current and potential customers agreed that the application appears to mostly target current customers, as the application does not hold any information about Nespresso's business idea. This indicates that the consumers actually notice that Nespresso has focused on current customers and not made an application to attract new, potential customers.

*"As I am not a current customer, I would like to know more about the brand. Why have they excluded information like that?" (Katja, 28 years old)*

The older focus group discussed the subject in the following way:

> Patricia: *I agree that it is modern, but I don't understand how to navigate through it. Where do I find information about the brand?*
> Charlotte: *It is hard for potential customers like me to grasp the brand's unique concept!*
> Lena: *I understand that it is hard for potential customers. It seems as if the application is made for current customers, and not potential ones.*

The ability to navigate around the application was also a lively discussed subject. The older focus group stated that they had a hard time finding their way through the application.

Karin: *I find the application confusing; I don't feel comfortable using it.*
Lena: *I agree with you, but the more I use the application, the more interesting it becomes. However, it took awhile to get used to the application. Could have made it easier to find certain things, such as product information.*
Pelle: *Clearer information is needed, and easier access to this information.*
Charlotte: *Takes time before you find what you are looking for.*

In the younger group they disagreed on this matter.
Niklas: *I find the application easy to navigate through!*
Sara: *I like the map where you can find the different Nespresso stores.*
Emilia*: Why can't I see more information about the products? Where do I find information about their products?*
Harald: *It seems very easy to place an order! But I agree that it is hard to find some of the information you want. I would imagine that people that are not used to applications would have a hard time using Nespresso's application.*

This implies that marketers need to take their target group in consideration when developing the layout of the application. In this case the older target group were struggling to navigate on the application and showed a certain frustration when they did not find what they were looking for. The younger group were more patient and understanding of the layout, however they agreed that more information about the brand could be added. Therefore, marketers need to be aware of impatience among certain consumers and adapt the layout to not discourage users.

Both groups stressed that the application is much better suited for a loyal customers and emphasized that it seems very easy to place an order through the application, which corresponds with Nespresso's own view of the application. However, both groups believe that Nespresso would benefit by adding more instructional content, such as different products tips and recipes, on the application.

Lena: *It would be nice to find more recipes, why not include recommendations for what to eat with each capsule.*
Karin: *Since they sell both chocolate and cookies, why not recommend these to the different capsules? This would definitely generate sales and make the consumers more loyal to the brand.*
Lena: *I would also have liked recipes for different coffee drinks. That would really have attracted my attention.*

The younger consumers agreed with the older generation and also demanded more statistics.

Sara: *I would like recipes for different coffee drinks!*
Harald: And *why not include statistics? It would be great if you could find information such as "The bestseller of the month" and "recommendations from peers".*

> Emilia: *I agree! They could also have made the application more personal, so that you were given suggestions based on your personal taste?*
> Katja*: Why not include what to eat with the different capsules?*
> Niklas: *It is however a fine line between offering too much information on an application or too little. I think that Nespresso has tried to find a balance, but I am not convinced that they have succeeded yet. If they were to include this information mentioned they would need to change layout to ease the navigation.*

As the above-mentioned quotes indicate the discussions around improvements of the application were based on more personalization and more instructional content. Both focus groups agreed that content like this would drive sales and generate more trials. This indicates that there is room for applications to include more instructional content, which encourages more engagement. However, it is important to keep in mind that more content also require a layout that makes this suitable. In Nespresso's case more content may not have been suitable given the current layout since the consumers already found it hard to navigate on the application.

### 4.5.3 Purpose of use

The younger group continued the conversation by discussing whether or not they would dare to buy a capsule machine from the application given the limited information it provides about the different products.

> Niklas: *The application offers you to buy the whole package so why not place an order through the application?*
> Emilia: *The fact that you can buy the machine through the application may also attract potential customers to the application.*
> Katja: *I would never buy a whole machine via the application. When I make an investment that costs that much I want to be able to see the product in real life. Hence, I want to be able to touch it and make sure that it lives up to my expectations. A purchase like that needs more research.*
> Harald: *I agree with you Katja! When you buy a coffee machine you want to be able to taste, feel and get personal assistance before you make your final decision. However, I think it is good that they have the information on the application so that you can get an impression of which machines you have to choose from and what they cost.*

This conversation highlights an important aspect regarding the risk aversion of different consumers. Hence, some customers will always prefer a physical interaction when purchasing an expensive product, which will make an application deem more or less appropriate as a distribution channel.

Given the application's current layout the participants would primarily use the application to buy capsules if they were customers. The majority of the participants would feel comfortable with placing an order through the application, since the capsules do not cost that much and as they trust the brand behind the application. But not all of the participants agree:

*"I would probably not use the application to buy products. I would rather do it on my computer. It feels safer!"* (Emilia, 20 years old)

Some of the younger participants would also use the application if they were to try a new product or flavor, while the older generation was more hesitant about that since they want to be able to taste it before purchasing it.

> Lars:  *I believe that this main drawback with the application, since I highly value the fact that you always can try the specific capsule before you purchase it in the store.*
> Lena: *Maybe they could offer a few capsules for free when ordering online so that you could taste the new flavor before ordering a whole package.*
> Lars: *Yes, that would definitely get me to try new capsules. That would most definitely drive sales!*

However, both groups are convinced by the potential of the application, especially among current customer who does not live close to a Nespresso boutique.

*"Consumers are impulsive and therefore it is good to have an application so that the consumers are given the opportunity to interact with the brand whenever they want."* (Niklas, 25 years old)

*"I believe that it is a great option for those who drink Nespresso everyday and do not live in Malmö or Stockholm."* (Lars, 55 years old)

Nespresso seems to have developed an application that actually meets consumers' needs, but how the consumers use the application will differ from customer to customer depending on their trust in applications and their demand for personal assistance when purchasing certain products. Regardless, these findings prove that a majority of consumers are comfortable with using and purchasing products through applications as long as they are not too expensive.

### 4.5.4 Influence of the application on the brand relationship

The application would according to the two groups lead to more frequent purchases and interactions with the brand.

> Harald: *I would be more positive towards the brand if I were to use the application!*
> Sara: *I would definitely purchase more frequently because you have it with you all the time.*

They would also keep themselves updated about the brand by following the "news" that were published on the application.

*Lena: I want to be able to catch-up on the latest news through the application so I will probably engage with the brand more frequently now that I have downloaded the application.*

Lars: I agree! *I actually believe that my wife and me will start ordering capsules through the application. Feels very simple now that you have gotten used to the application.*

Thus, none of the participants felt that the application would have an intrusive effect on their lives as they are in charge of the interaction.

*"Ads and news published on the application don't feel like push marketing, rather valuable information!"* (Sara, 23 years old)

*"However, Nespresso needs to start promoting their application more efficiently if they want it to succeed. I haven't received any information about it so far!"* (Niklas, 25 years old)

Nespresso's application has managed create positive attitudes towards the brand and increased engagement. As the participants demand more instructional content and promotion of products, the brand could thus profit from using the application more as a communication channel to increase awareness and engagement even further. This emphasises the benefits with applications and their potential in creating interaction and engagement with the consumers.

## 4.6 Consumer's perspective - Kungsörnen

The following findings are based on quotes and discussions between the participants that took part in Kungsörnen's focus groups. The main topics were mobile marketing and Kungsörnen's baking application.

### 4.6.1 Kungsörnen's image

All the participants in the focus groups were aware of the brand and have or are using it regularly. They associated the brand with flour and pasta products. When they were asked why they used Kungsörnen the following statements emerged:

"*I use it because it is a well-known brand, it has been on the market for a long time and therefore I automatically use it. I feel safe with Kungsörnen and it meets my expectation every time."* (Filippa, 28 years old)

"*If you have Kungsörnen's brand and some unfamiliar, then you choose Kungsörnen; you know what you get!"* (Tina, 52 years old)

Kungsörnen seem to have managed to shape a strong image in their consumer's mind as the majority of the participants recall it as a trustful and a well-known brand that has been on the market for a long time.

### 4.6.2 Impression of application

Both groups shared a common understanding of the brand image and the fact that Kungsörnen has managed to reflect their image in the application:

*"It reflects their image but they could have played even more on their image when selecting their recipes".* (Emmy, 30 years old)

*"Feels like the application represent their image, which is good."* (Anja , 44 years old)

However, when discussing the application they both had agreements and disagreements and differences emerged between the younger and older focus group.
The younger group stated the following:

> Sabina*: I am disappointed with the application because the first thing you see is that it doesn't have images. That immediately makes it boring and I would have deleted it.*
> Helmer: *I don't get why they developed this application in the first place? There are other applications that have recipes so why would I choose an app with Kungsörnen's products?*
> *For me it doesn't fill a function and it feels forced.*
> Nils: *I disagree, I think they've created a conformable tool by including everything in the same application. You have the recipes, how to do every step, timer, measurement converter. If we go back to the previous discussion about applications in general, this app  fills a function. It feels like there are professionals behind this in comparison to Tasteline where anyone can write a recipe. This feels genuine and truthful.*

The fact that the application was missing images upset the younger consumers although it had other features that they appreciated.

*"I get more and more annoyed that it doesn't contain pictures. I think it is a good application but they can't release something without pictures. I can't sell anything in my line of work within the travel industry without pictures. The visuals are needed especially for this type of app, it should make you want to bake!"* (Filippa, 28 years old)

*Hence,* the younger groups were not entirely satisfied with the application's layout, however they were more positive towards the features it provided in addition to the recipes. However, the older group's first impression was better.

*"I like it and the first thing that crossed my mind was that it is a clever choice to have a function which enables you to send recipes to your friends, then you can share it."* (Petter, 52 years old)

*"They have managed to make you want to bake and it is easy to use and easy to navigate."* (Karina, 48 years old)

The older group did not even discuss the missing pictures or feel that it was an issue. However, since it is a baking application, they assumed that it would be filled with more recipes and both groups had some complaints regarding the content. The younger group discussed this matter in the following way:

> Helmer: *I consider it to be dangerous not to offer more recipes; you don't want to use an "empty" application. If you choose an app with recipes it should satisfy your need by offering a great amount to choose from.*
> Nils: *Yes, then it would have been better to wait and provide more content before launching it.*
> Emily: *But I think they have quite a lot, because if you look at the bread section there is a lot of recipes.*
> Nils: *But I think; why not have as many recipes as possible? If you have a category that has cakes, put in as many cakes you can find. If this is a recipe app, then you shouldn't be limited by the amount. I would recommend the app to others if they had more recipes to offer.*
> Helmer: *I assume Kungsörnen has as much products and money as Arla, so they should be able to compete with their recipe application. But at the moment this app feels unfinished and vague.*

The older group shared the younger groups common understanding about the content and the fact that Kungsörnen could have included more recipes.

*"I think they could have more than just baking recipes since they sell pasta as well. They could also have included information about Lantmännen and what other brands they have because I like Kungsörnen and if I knew other brands that belonged to the same company it would make me trust the other brands more. Free ride for the other brands plainly!"* (Karina, 48 years old)

This dialogue indicates that the participants were not impressed with what the app offered, and it shows that Kungsörnen would benefit from being consistent, i.e. offer the same amount of recipes in each category, or providing a more unique and comprehensive application. Hence, it is important to be unique and offer added value that differentiates the application from competitors if brands are to use applications as a marketing tool.

Both groups initially discussed that they probably would use the application, but that the issue was that they would not have found it in the first place.

> Maja: *I wouldn't find it on my own*
> Göran: *Me neither.*
> Maja: *Perhaps they could have promoted it on a leaflet in the grocery store and then I would have been curious to download it.*

Tina: *That would have been good because I was positively surprised by this app and I know a lot of colleagues who would appreciate it, so now that I know about it I will recommend it to others.*

The general impression of the application varied between the two groups. The younger group was not satisfied with the layout and content as they compared it to what the competitors offer. The older group had a more positive attitude towards the application, although they thought that the content could be extended. This proves how important it is to be aware of whom you aim to target with the application, since the two age groups seem to have different preferences.

### 4.6.3 Purpose of use

The younger focus group also discussed the way Kungsörnen has promoted themselves on the application and their attitudes varied regarding this issue.

Helmer: *I feel that it's too much push promotion on it: it's Kungsörnen everywhere.*
Nils: *I don't agree! Since it's Kungsörnen's application they have right to show their brand and its products.*
Helmer: *Well maybe it's from person to person, because I feel it's too much.*
Emmy: *Well since you have chosen to go on their app I believe it is ok.*

This shows that although it is Kungsörnen's own application, they need to be careful not to push too much information about the brand since there are consumer that get discouraged by this. This discussion followed by a conversation regarding the willingness to use the application.

"*I think it's a smart way to promote their flour types; I wouldn't have downloaded it just to read about their products, because I don't care for their products.*" *(Emily, 21 years old)*

"*I have to say that I, who am more interested in choosing and eating better and healthier really like this app. I'm now aware that Kungsörnen has spelt and whole grain flour, which I would never have known otherwise. Now I can make whole grain scones, which is great! I also like the nutrition index. I would also use the application to learn about the different flour types and use the recipes to bake healthier cakes.*" (Sabina, 25 years old)

The older group had similar understanding about the willingness to use the application.

"*I would definitely use it to bake. And I have learned more about the brand now when I have the app which is interesting.*" (Karina, 48 years old)

"*I think it is a really good application, easy to use! I am positive towards the fact that you can read about different flour types and that they have the measurement converter, which is really good because sometimes when you have an old recipe you need it. The timer was also impressive and will make me use the application more.*" *(Tina, 52 years old)*

Both groups would have used the application to bake and to read about the different flour types, hence Kungsörnen has been able to create awareness for their different flour products, which indicates that Kungsörnen has managed to capitalize on the application's ability to enhance brand awareness.

### 4.6.4 Influence of the application

When discussing the application and whether they would be more loyal to the brand if having the application differences emerged between the participants. The younger group discussed the matter in the following way:

> Filippa: *I think I'll buy more of their products now that I have the app and I'm aware of their different flour.*
> Helmer: *I can't really say if the app would have made me buy more, I believe I buy Kungsörnen because I'm used to it not because I would have the application.*
> Nils: *I think that the dilemma is not if I would have bought more of Kungsörnen's products, I don't think I would have downloaded the actual application. If I knew it existed and I would have used it then I probably would have bought the flour they recommended prior to any other brand, but I need to know it exist first.*
> Emily: *If I used this app and its recipes I would only think flour and not Kungsörnen when making the purchases needed to bake the cake. Hence, I would use the flour I had in my pantry and wouldn't have gone to the store to buy Kungsörnen; there are other factors that make me choose which brand to buy.*

The older group had similar opinion about the issue:

> Göran: *I'm already loyal to the brand so I would continue to use it.*
> Maja: *I agree, the application wouldn't be the reason behind my purchase.*
> Tina: *Same for me, but it made me aware that they have different type of flour so perhaps I'll try a new one next time I bake.*

Finally one interesting argument was mentioned in the younger group, which perhaps corresponds to what Kungsörnen is striving for:

"*If 50% think why not buy Kungsörnen, then Kungsörnen has accomplished something with the application. Otherwise they have at least imprinted the logo in the consumer's mind.*" (Nils, 24 years old)

These discussions imply that even though the consumers do not believe that they would be influenced by a branded application, a familiarity towards the brand may create an unconscious preference for the brand in the consumer's mind. Hence, an increased awareness about the brand and its products may be achieved through providing a branded application.

## 4.7 Main findings- consumer perspective

Below the main findings from the focus groups will be presented and highlighted.

- *Applications are not push-based marketing:* The general understanding among the participants was that applications are not seen as marketing as the consumers are in charge of the interaction. As long as the application helps the consumers in everyday life they view subtle advertising on the application as beneficial.

- *Applications need a function and/or engaging content*: To create brand awareness and engagement the application must provide a function or content that the consumers demand.

- *Word-of-mouth*: Consumers tend to download applications that are recommended by peers. If the application lives up to the consumer's expectations they are willing to recommend it to others.

- *Function triumph the brand:* The brand is not always the focus, especially not for low involvement brands. Hence, applications may be downloaded and used frequently even though the consumers have no personal connection to the brand and would not be loyal to the brand in a purchase decision.

- *Importance of content:* For an application to be successful it is important that it entails content that the consumers demand. Therefore, the content included should be based on how, when and where the consumers use the application.

- *Image*: The empirical findings indicate that it may be easier to shape brand image with the help of an application for low involvement products, with less complex brand features.

- *Loyalty*: There are indications that branded applications for high involvement brand may enhance engagement and loyalty as the application enables interaction with the brand whenever, wherever. Low involvement brands have a more difficult time creating loyalty through applications, but as brand awareness increases the consumers may generate an unconscious preference for the brand, which can influence the purchase decision.

- *Benefits of branded applications:* A positive experience of the application will lead to more engagement with the brand and increase awareness of other products under the same brand.

### 4.8 Comparison

Below the brands' perspective on branded applications will be compared with each other, as well as with the consumer view of mobile applications.

#### 4.8.1 General understanding of mobile applications

As theory state one of the biggest challenges for marketers is how to match the best set of communication channels to strengthen the brand (Keller, 2011). Hence, both Persson and Wernvik work on creating brand coherence in all their communication channels and share the understanding of seeing application as a complement to other communication channels. Hence, both strive to have an integrated marketing communication strategy, where all communications channels are coordinated to achieve the brand's communication objectives (Holland, 2010).

The general understanding was that the focus groups did not see applications as marketing since they choose when to interact with the brand and rather see it as function companies provide to help them in their everyday life. This indicates that the focus groups also see it as a complement to other communication channels and the participants believe that if brands can provide an engaging application it will create positive attitudes towards the brand.

#### 4.8.2 Influence of high and low involvement

As theory indicate, the advertising tactics need to be adapted depending on if the product has high or low involvement (Stone & Desmond, 2006). This reflects how Kungsörnen and Nespresso have developed their applications, and which way they aim to strengthen their brands. According to Dahlen, Lange and Smith (2010), the consumers' request more information from high involvement products compared to low involvement, which indicate that the personal interest for high involvement products is higher. Hence, as Kungsörnen is a low involvement brand their application needs an approach that attracts consumers by using instructional content, since it would be hard to draw attention to an application that was solely focused around Kungsörnen's brand. Nespresso is on the other hand a high involvement brand, with engaged consumers, which enables them to draw attention to the application with their brand as the main attraction.

Both focus groups found it interesting that Kungsörnen is using instructional content and they mentioned that they would not have downloaded the app if it only contained information about the brand. However, since Kungsörnen has developed instructional content it increases interest to read about the brand's different products, thus the consumers become more educated about the brand. Nespresso's application on the other hand mainly focuses on the brand and its products, but since the consumers are interested in the brand it is enough reason for them to download it in the first place. However, the focus groups stress that a branded application which only focuses on the brand need to have some kind of function that creates engagement in order for them to keep the app and use it regularly. The consumers consider Nespresso to have managed this and the general thought was that they would have used the application if they were consumers.

Theory about high and low involvement products implies that for low involvement brands it is fundamental to create awareness because the buying process for these types of products are influenced by associations and familiarity (Dahlen, Lange & Smith, 2010; Stone & Desmond, 2006). High involvement brands should on the other hand not focus on awareness rather providing information and educating their consumers (Dahlen, Lange & Smith 2010). Kungsörnen has acknowledged the importance of this and they are working hard at creating brand awareness. Wernvik emphasises that their application has helped them create awareness for all their different flour types in a successful way. In Nespresso's case the main goal is not to create brand awareness through their application, instead they strive to provide service for the consumers and increase sales. Hence, the benefits of creating brand awareness with the help of an application can be said to be of greater importance for a low involvement brand, since familiarity is the major factor influencing consumers' routine purchase decision (Stone & Desmond, 2006). For these brands the branded application will thus be a new and creative way to remind the consumers about the brand's existence, and this brand recognition should influence the consumers purchase decision.

Both focus groups were already aware of Kungsörnen as a brand, thus the app did not create any awareness in that sense. However as mentioned, the application provided awareness for their products in a successful way among the participants and created an interest to learn more about the brand. Although Nespresso's goal was not to create awareness about the brand via their app, they have managed to create an interest for new products. However as theories state the focus groups expressed a need to have more information about the products before they would purchase an expensive product. They state that the application is not the best tool since it has limited space, thus they rather go to the boutique before making a buying decision. By contrast, they did argue that for the less costly products such as capsules and chocolate they would use the application to make purchases.

An application can according to Udell (2012) strengthen the connection between the consumer and the brand if it reinforces the features that the consumers already associate with the brand. Wernvik states that it is important that Kungsörnen communicate the same image via all communication channels and believes that they have succeeded in doing so. As a premium brand with high involvement, Nespresso finds it harder to communicate and strengthen their brand image through an application. According to Persson and Secher, they have struggled with the Nespresso app and even though the focus groups consider their image to be reflected in the application, they do not consider having managed to communicate their brand image in the best possible way. The reason that the brands ability to communicate their images differ is that Nespresso's brand symbolize service and quality, which are more experience features, in contrast with Kungsörnen's image that focus on familiarity and tradition. Hence, Nespresso's core features are harder to translate to an application with the technology provided today.

However, as theory state that the image can be reinforced by the application, the focus groups consider both brands to have managed to reflect their image but not necessarily that the

companies have managed to reinforce the image. One of the participants even highlighted that she believes Kungsörnen could have acted more on their image.

### 4.8.3 Expectations and benefits

According to Buckingham (2008) and Melin (1997), brand engagement is the primary activity and driving force behind decision-making and loyalty, thus an essential part in the brand building process. Lacroix (2010) also adds that the engagement will affect the commitment and the unwillingness to switch brands. Both brands have managed to create engagement with their consumers, however Kungsörnen has been superior in providing instructional content. According to Persson the Nespresso app focuses more on being a distribution channel and thus primarily engage their consumers by providing them with the ability to place orders via the application.

The focus groups stresses the importance of creating engagement with the help of the application and emphasises the value of including content that satisfy their demands. Kungsörnen's consumers had different understandings about Kungsörnen's ability to create engagement with their application. One of the participants felt that the app was forced and that Kungsörnen was not able to provide enough content to make him want to engage with the application. The younger consumers demands more content if they are to engage and stay loyal to the application, while the older group was more easily satisfied. However there were participants in the older focus group that agreed with the younger consumers and stated that they would have wanted the app to offer more content. Nespresso's application on the other hand, was seen as positive and the general understanding was that Nespresso had managed to satisfy a need, which will make consumers engage with the brand through the app.

Consumers today rely more on third parties when buying a product in comparison to traditional advertising (Hanna, Rohm & Crittenden 2011), hence by taking advantage of people who like their brand, marketers can use brand advocacy as powerful word of mouth (Kirby & Marsden, 2006). Kungsörnen's application encourages the consumers to become brand advocates, as the consumers are able to share the recipes with their friends, which was highly appreciated by the older focus group. The consumers are willing to share things they like, thus word-of-mouth is a worthwhile strategy for low involvement brands to create brand awareness. However, Nespresso's brand has no such function, and they have not focused on achieving word-of-mouth through the application. Instead Nespresso rely on their Club members to become brand advocates. As theory state, all four focus groups expressed that they are more willing to download applications that others have recommended and they also tend to share and recommend applications that they like themselves. However, this only holds true for those applications that provide the consumers with a valued function or content that lives up to their expectations.

According to Kapferer (2012), an engaged consumer is often a loyal consumer. As mentioned both brands engages with their consumers, however it does not necessary mean that they are loyal to the brand. Wernvik considers the application to have increased loyalty but the focus

group do not fully share this understanding. They are not sure their loyalty would increase only by using their app and its recipes; rather they see the app as a tool for increasing awareness for Kungsörnen's products, which may lead consumers to try new products from Kungsörnen. Nespresso on the other hand has created an application for the consumers who already are engaged with the brand, i.e. have a Nespresso machine, and therefore strive to increase this loyalty by being attainable anywhere at anytime through the application. The consumers agreed that this application enhance the loyalty since Nespresso make the consumers able to buy products anywhere at anytime, which will make them buy repeatedly from the brand.

## 4.9 Opportunities and challenges

I this section the opportunities and challenges with using branded applications to strengthen the brand will be explored. The structure is based on the extended framework presented in the last theory section, but the authors also decided to include three additional topics, which were highlighted as important aspects according to the empirical findings.

### 4.9.1 Brand engagement

As theory state brand engagement is an important factor in customer-centric marketing, especially for mobile applications (Chiem et al., 2010; Gambetti & Graffigna, 2010). Since it is the consumers who initiate the contact with the brand by downloading the application the consumers supposedly already have some degree of involvement or engagement to the brand. However, branded applications have a huge potential when it comes to increasing the already existing brand engagement (Chiem et al., 2019). Both Nespresso's and Kungsörnen's applications are good examples of this and they strive to include content and functions that foster more engagement, which however could be a challenge on its own. Consumers want content that serves a specific function and that helps them in everyday life, hence they would dismiss an application if it does not satisfy their expectations and do not provide the information demanded.

The focus groups agree that brand engagement may influence which branded applications they download and emphasizes that an application that lives up to their expectations would encourage a more frequent interaction with the brand, i.e. brand engagement. However, as stated, the participants consider that function triumphs brand, which indicate that some branded applications are downloaded without it being any brand engagement involved. Sometimes these applications can create brand engagement, but this should not be taken for granted. As the research shows some downloaded applications, mostly applications for low involvement products, will have more difficulties creating brand engagement and/or brand loyalty. However, the potential for branded applications to create brand engagement is quite convincing and applications should thus be considered when the aim is to increase brand engagement. In future research it would be interesting to investigate how the personalization/ customization may affect brand engagement.

### 4.9.2 Brand awareness

According to theory mobile applications have the ability to create on-going brand awareness (Chiem et al., 2010) and by offering a branded application for free, Nespresso and Kungsörnen have a unique opportunity to increase brand awareness (Mobile Marketing Association, 2009b). The research implies that low involvement brands have the ability to incorporate enough information about the brand in the application to enhance brand awareness, which may influence the consumers' purchase decision consciously or unconsciously. Hence, by including the brand name and logo in the application the consumers will create associations to the brand, which increases familiarity and imprints the name in the mind of the consumer. How high involvement brands can benefit from brand awareness is thus harder to evaluate since Nespresso does not stress the importance of creating brand awareness through their mobile application. However, even though Nespresso may not focus on creating brand awareness, the focus groups state that the application has increased their awareness of the products that Nespresso offers. Branded applications have in that sense, regardless of brand, the ability to increase brand awareness to some degree.

What actually seems to matter is the application's design and functionality in relation to previous brand awareness. As stated by the focus groups consumers may actually choose to download an application based on the function it offers and not on the brand. By providing a baking application, which Kungsörnen has, they have the ability to induce awareness about the brand in a subtle way by providing a function that is valued by the consumers. In this way brand awareness can be reached without any previous brand knowledge or brand engagement. Nespresso's application on the other hand would not fill a function for anyone who is not interested in the brand. Moreover, the consumers would not have a reason to download the application if they did not have any previous brand awareness or engagement to the brand. In that sense the application is more suitable for maintaining brand awareness and creating awareness for new products, which according to Shimp (2008) also is of great importance. Future research is needed to explore more how high involvement brands can work with brand awareness given the function and content that the branded application offers.

### 4.9.3 Brand image

According to the framework presented by Pelsmacker, Geuens and Bergh (2010), mobile marketing can help shape brand image and attitudes. This research has proven that branded applications have the opportunity to reflect brand image, but has a harder time shaping brand image for high involvement brands. According to the focus groups both Nespresso's and Kungsörnen's application communicated the brand image in a consistent way, however in Nespresso's case the application lacked the ability to shape an image of the brand for those who were not familiar with it. This may be explained by the fact that Nespresso's image is built on a more complex service concept that cannot be translated to this format. Kungsörnen on the other hand have managed to incorporate their image with the help of text and layout, which is enough to give both current and new consumers a good picture of the brand's image. Hence, if the brand's goal is to shape their image they should evaluate the branded application to make sure that it has the ability to communicate the brand image in a suitable way.

### 4.9.4 Generating trial

According to Pelsmacker, Geuens and Bergh (2010) mobile marketing can be used to generate trial. Push-based mobile marketing such as text messages and emails, often contain content that urges the consumer to try new products or products that are on sale, which according to Chiem et al. (2011) have the ability to reach short-term sales. However, some consumers may see this type of advertising as intrusive and irritating, especially the younger generation of the focus groups. Advertising for new products on mobile applications are on the other hand not viewed in the same negative way. The focus group participants actually want to read about *"news"* and *"sales"* on the application since this type of advertising often is subtler when it is communicated through a mobile application. It is however unclear to what extent this would generate trial since the Nespresso focus groups disagree on the willingness to try new products based on advertising on the application. Kungsörnen's focus groups were on the other hand more curious of new products that they had no previous awareness about, and showed a willingness to try these.

As mentioned mobile applications are mostly used because they fulfil a specific function for the consumers, hence trial is not the main focus but may become a by-product of this. Nespresso and Kungsörnen have taken this into consideration and have included subtle advertising on their application to generate trial, even though this was not emphasized as their main marketing goal. Consequently, mobile applications may generate trial, but it should not be the main focus in the short-run.

### 4.9.5 Loyalty

Given the competitive environment that surrounds brands today, brand loyalty has become increasingly important. As Kapferer (2012) mentions brands cannot survive on an excellent product or strong brand image, instead they have to urge their consumers to repeat purchase so that they become loyal to the brand. Mobile marketing and mobile applications have according to theory the ability to create loyal consumers by increasing brand engagement (Friedrich et al., 2009; Chiem et al., 2010). However, the focus groups disagreed with each other and theory regarding this matter. Some of the participants state that they have become more loyal to the brands that they have downloaded applications for, others say that this has not influenced their behaviour towards the brand at all. As mentioned some branded applications seem to be downloaded because they offer a function that the consumers value but with which they have no personal connection to, and would never consider being loyal to. This actually both supports and contradicts the study conducted by Bellman et al. (2011), since this indicates that consumers would download an application for a brand that they have no personal involvement to at the same time as it states that branded applications with low involvement would not be as effective as high involvement.

However, no one can deny the potential that branded applications, especially for high involvement brands, have in generating more loyal customers given that they provide functions and content that the consumers demand. As stated by Hem and Iversen (2003) a vital aspect when creating loyalty is to match the perceived value of the consumer with the functions and content provided by the brand. A majority of the participants in the focus group

actually agreed that branded applications, which offer valuable content would influence the brand relationship consciously or unconsciously in a positive way. Hence, this would make the consumers more loyal as they would choose this brand prior to any other product brand when making a purchase decision. Both Nespresso and Kungsörnen have acknowledged these benefits and have tried to incorporate content that create more engagement and in the end more loyal consumers. Instructional content has proven to create more engagement to the brand and consumers actually demand more of this. Hence, brands need to respond to this wish and leverage on the benefits that follow.

### 4.9.6 Brand advocacy

Word-of-mouth is another aspect that was brought up as an important factor regarding mobile applications both within theory and among the focus group participants. As expressed by the focus groups most of their downloaded applications are recommendations from peers, and they also showed a willingness to recommend brands and branded applications themselves. When recommending a branded application for a high involvement brand the recommendation often becomes a direct approval of the brand, since the content of the branded application often is centred on the brand and only referred to those interested in the brand. In the case of low involvement brands the recommendations could be more focused around the functionality of the branded application, which thus indirectly may create awareness for the brand. However, this still implies that branded applications have the opportunity to create brand advocacy, which has become an increasingly important part of the brand building process (Hanna Rohm & Crittenden 2011). However, as theory states brand advocacy is not created by itself, brand engagement and brand loyalty are two elements that set the basis for brand advocacy (Marsden, 2006; Hanson & Kalyanam, 2007). Thus, without loyal and engaged consumer the brand will not be able to turn consumers into brand advocates. Therefore brands need to recognize that applications need to entail content that makes the consumers appreciate the brand's values (Udell, 2012). According to the focus groups the applications must live up to their expectations if they are to be recommended. Brands that have the ability to create brand advocacy may leverage on this by enhancing their brand image and brand engagement (Kirby & Marsden, 2006; Lantos, 2010).

### 4.9.7 Content

An important aspect discussed in both theory and among the focus group participants was the amount of content that should be included in a branded application. According to Udell (2012) branded applications have the unique opportunity to include instructional content that help the consumers incorporate the brand in their everyday life. However, given the mobile applications format, the amount of text that can be included in the app is limited. It is thus a fine line between providing enough information and too much information, which may make the application seem messy and hard to navigate through. This is also expressed by one of the participants as the main challenge with applications. Consumers tend to express a demand for more content and more functions, at the same time, as they want the application to be simple and easy to navigate through. This is not always easy to comply with given the current technology and the applications risk becoming messy and hard to navigate through if it is not done with care.

Regardless of the amount of content included in the application it is important that it is the "right" content. Hence, the app needs to contain content that answers to the consumers' usage of the application and thereby meet their demand.

### 4.9.8 Design

Another important element discussed in the focus groups was which type of applications that is most often used. All four groups agreed that they mostly use utilitarian applications, i.e. applications that perform a specific task for the consumer. Hence, the applications should provide a function that encourages the consumer to interact with the brand on a continuous basis. To create a function that make the consumers interact with the brand seems to be easier for a high involvement brand since the consumers are more prone to engage with these brands. Low involvement products have to put more effort in creating an application that attracts consumers and cannot base the whole application on the product brand as the consumers often are less interested in the brand (Kumar, 2007; Dahlen, Lange & Smith, 2010). Kungsörnen has managed to solve this problem by providing an application that offers recipes, a timer and a measurement converter. By offering three different functions they have the ability to attract a broad consumer segment that would never interact with the brand in this way otherwise. As stated by Wernvik (2013) low involvement brands need a good idea if the branded application is to succeed. However, even though Kungsörnen may have managed to include three functions the focus groups emphasised the importance of differentiating from other similar applications. Hence, they thought that Kungsörnen's app provided to few recipes to be able to compete with competitors such as Arla, and would therefore need to niche their application even more if they were to stay competitive. This indicates that even though you have a good idea for your application you must make sure to differentiate and provide added value compared to the competitors.

### 4.9.9 Privacy and intrusion

As already mentioned by Bellman et al. (2011) pull-based mobile marketing tend to avoid intrusion and privacy concerns. The information gathered from the focus groups supports this as the participants stated that they do not view mobile applications as intrusive. However, if it is too evident that the application is used as a marketing tool it may have a negative effect on the usage of the application. Marketers and managers therefore need to make sure to use subtle marketing efforts in the application if they want to retain their consumers. As earlier expressed by one of the focus group participants:

*"The app is a tool and should benefit you not control and try to influence you, if it does it becomes annoying." (Niklas, 25 years old)*

Hence, even though branded applications get away with subtle marketing, marketers need to be careful not to cross the line between informing the consumers about new products and persuading the consumers to buy a certain product/brand. A mobile application should thus never disturb the consumers; only aid them in their everyday life.

## 5. New Perspectives on Branded applications

*In the following chapter, a new framework will be presented which has emerged from the empirical findings and analysis. It has started the process of generating guidelines for how branded applications for high and low involvement brands can be used in the brand building process.*

| Steps in the brand building process | What can be achieved | How to achieve it |
|---|---|---|
| **Increasing and creating brand engagement** ↓ | **High involvement:** Increase engagement for high involvement brand by including content and functions that encourages the consumers to frequently interact with the brand through the application. | **High involvement:** Provide a purchasing function, customer support, exclusive news and offers. |
| | **Low involvement:** Create engagement by providing a valuable function and content, which in a subtle way incorporate the brand. | **Low involvement:** Instructional content such as recipes, lifestyle tips. |
| **Generating brand awareness** ↓ | **High involvement:** As consumers probably already have awareness about the brand they should exploit the opportunity to introduce and create awareness for new products. | **High involvement:** Promotion of the latest news and recommendations for how to use a product. |
| | **Low involvement:** Since the primary focus for low involvement brands is to create familiarity, the application should be created to aid this process. | **Low involvement:** Make the logo and brand name and other recognizable features visible, include the products that are most associated with the brand. |
| **Shaping brand image and attitudes** ↓ | **High involvement:** The complexity of brand concept decides the ability to shape brand image. For more complex brand images it will be more difficult to shape the brand image and focus should therefor be on reflecting the image and if possible reinforcing the image. | **High involvement:** Include features such as colours, name and logo, which reflects and reinforce the image that have been communicated though other channels. |
| | **Low involvement**: Low involvement brands have the possibility to both shape and reinforce brand image since their features often are not as complex. | **Low involvement:** Include features such as colours, name and logo, which reflects and reinforce the image that have been communicated though other channels. |

| | High involvement: High involvement brands may increase brand loyalty by increasing the engagement through the application. | High involvement: Make the brand accessible anywhere and anytime and provide demanded functions and content. |
|---|---|---|
| **Creating brand loyalty** ↓ | Low involvement: For low involvement product it is not definite that the consumer will stay loyal to the brand when using the branded application. However this can be seen as a by-product and the brand should strive to engage and create awareness, which may lead to loyalty in the long run. | Low involvement: Differentiate from other similar branded applications; niche the application. Enhance the brands uniqueness. |
| **Encourage brand advocacy** | High involvement: Brand advocacy for this type of brand would mean that the consumers directly recommend the brand to other peers they believe are interested in the brand, as the app usually solely centre around the brand. | High involvement: Include a sharing function, connect social networks to the application, which enable sharing. |
| | Low involvement: Brand advocacy for this type of brand would rather be that the consumer recommends the functionality of the brand and in that sense indirectly create brand awareness among peers. | Low involvement: Include a function that enables the consumers to share the content of the application. |

*Table 5. The role of Branded applications in the Brand building process*

After having analysed the empirical findings with the help of the extended theoretical framework presented in the theory chapter, a new framework called "*The role of Branded applications in the Brand building process*" was developed. It includes the steps in the brand building process that Melin (1997) introduced as well as brand advocacy, which has been highlighted as an important aspect of mobile marketing. The framework aims to explain what high and low involvement brands can achieve in each step of the brand building process and how they can use branded application to accomplish this. Given the framework's structure it also highlights the similarities and differences between high and low involvement brands, which gives insights to the potential of branded applications for different brands. As the framework indicates, branded applications for low involvement brands have a prominent role in brand awareness phase, while the branded application's role for high involvement brands are more eminent in the brand engagement phase.

As this framework is based on a limited amount of empirical data, it should not be seen as general findings and may not be applicable to any brand. However, these findings can help similar brands to the ones explored to create branded applications that aid their brand building process. It is important to keep in mind that it is each consumer's subjective view on the brand that will determine whether it is a high or low involvement brand. More research is needed to be able to give definite guidelines.

# 6. Conclusions

*In this concluding chapter the major findings will be presented. In addition, the thesis theoretical and practical contribution will be discussed as well as the managerial implications. Finally, future researched and limitations will be outlined.*

The primary purpose of this thesis was to explore the role of branded applications in the different steps of the brand building process. Furthermore, the aim was to investigate if this differs between a high and low involvement brand, which led us to following question:

- *How do consumers view mobile applications and how can their attitudes be compared to the managerial perspective?*

As new marketing channels have evolved, the importance to be up-to date is emphasised both in the literature and in the empirical findings. Theory stress the importance of creating a coherent brand message across all communication channels and applying an integrated marketing communication strategy, which also was reflected in the empirical findings as marketers see mobile applications as a complement to other communication channels. Since mobile applications have limitations, such as a limited audience and limited information space, they do not provide all the features necessary to become a substitute and replace other channels. Hence, mobile applications need to be treated as a complement to other existing communication channels in order to strengthen the brand and increase brand loyalty.

The birth of Internet facilitated the interaction between the brand and consumer and mobile marketing has taken this interaction further by enabling the marketer to reach the consumers anywhere at anytime. Since consumers have accepted mobile applications and do not see it as a marketing tool, marketers can exploit this new communication channel to strengthen the brand. By creating an application that makes the consumer engage with the brand they have the ability to create awareness and positive attitudes towards the brand. However, as the application is seen as a pull-based marketing strategy, it is important for applications to stay in that role. When applications become push-based marketing, the consumer loose interest, which can lead to negative brand associations.

By using mobile applications as a complement, this study shows that branded applications have a primary role during the brand engagement and brand awareness phase of the brand building process, which is presented in *The role of Branded applications in the Brand building process* framework. If the marketers manage to achieve engagement and awareness, it can in turn lead to more loyal consumers and brand advocacy. To reach brand engagement, instructional content proved efficient and since engaging content is a criteria that the consumers highly value, if done right marketers could strengthen the brand.

The research also showed a difference in how high and low involvement brands use or should use branded applications. Low involvement brands are more prone to use branded applications to create awareness and since consumers are less prone to engage with a low

involvement products they need make sure to have well developed function that attracts the consumers attention to the branded application. This function also needs to contain features that encourage consumers to interact with brand through the application on a continuous basis. Hence, consumers are willing to interact with a low involvement brand through branded applications as long as they offer features that the consumers value. Branded applications for low involvement products have in that sense the opportunity to create brand awareness as well as brand engagement if they choose content with care. However, low involvement brands should be aware that this does not necessarily lead to brand loyalty. Given these results, branded applications for low involvement brands have a prominent role in the brand awareness and brand engagement phase of the brand building process.

High involvement brands tend to use branded applications to increase brand engagement. This is done most successfully by incorporating a function or instructional content into the application that encourages frequent interaction with the brand. Compared to low involvement product this function can be closely connected to the brand since consumers that use this application are more willing to interact directly with the brand. This is especially true for current customers who already have a personal connection to the brand. Hence, this study showed that high involvement brands are more prone to target current customers compared to low involvement brands, who try to reach both new and current customers in their quest for increased brand awareness. In this case it may be explained by the fact that the high involvement brand studied has a complex brand concept that cannot be translated to the mobile application given the current technology. Hence, they had a harder time communicating and shaping brand image and therefore choose to focus on current customers that are aware of their unique concept. These results indicate that high involvement brands primarily should focus on increasing brand engagement through their branded application, which has the potential to strengthen brand loyalty.

Subsequently, brand involvement needs to be considered when striving to strengthen the brand with the help of branded applications. However, regardless of brand relevance all branded applications must provide content and functions that aid consumers in everyday life if they are to be successful. Consumers who are devoted to a brand may download the specific branded application, but if it does not contain content that lives up to the expectations held it will not be used again and the purpose of the branded application is lost. An in-depth understanding of the consumers and their usage patterns is therefore of great importance if brands are to create a successful application that brings value to both the consumer and the brand itself over time.

This research has shown that the managerial view of mobile application to some degree consists with the consumers' attitudes. However, both theory and the brands consider that engagement will lead to loyalty, which from the consumer perspective should not be taken for granted. They emphasise that although they use a branded application it does not necessarily imply that they will stay loyal to the brand. Their views regarding the content that should be provided by the application also differs. Consumers want rich, instructional content, such as extended product information and product tips, while the marketers seem to be afraid to

include too much information and risk making the application messy. It is therefore of great importance to find a balance between simplicity and the amount of content provided, as well as creating a layout that corresponds to the content provided and eases the navigation on the application. However, there are benefits to be drawn from mobile applications both from a managerial and consumer perspective. From a managerial perspective this new communication channel can be a great digital tool to strengthen the brand and for the consumers it can be an efficient help in everyday life. The advantages of branded applications are thus best exploited when the application is developed to create a win-win situation for the brand and its consumers.

## 6.1 Contribution

This thesis contributes to current literature by exploring the role of branded applications in the brand building process. As mentioned, previous research is mostly focused around push-based mobile marketing and the importance of reaching consumer acceptance. Hence, studies of branded applications as pull-based mobile marketing are scarce which leaves a big research gap to be filled.

To fill this gap the authors started by creating *The Extended Theoretical framework*, which given the current literature around mobile applications indicate when mobile applications can be used to strengthen the brand. Hence, this framework revealed new aspect of the brand building process that should be emphasised when using mobile applications in this process. The extended theoretical framework has both practical and theoretical implications, which can be further explored with more empirical research.

The authors continued to fill the research gap by limiting their empirical study to the role of branded applications in the brand building process. With the gathered empirical findings the authors managed to create a framework called *The role of Branded applications in the Brand building process*. This framework has started the process of creating guidelines for how high and low involvement brands can use branded applications to strengthen the brand. It also highlights the differences and similarities between high and low involvement brands in the brand building process, which adds to the understanding of branded applications and their potential. However, the framework should be complemented with further empirical research before it could give any general guidelines.

The findings of this research thus contribute to the brand building theory and mobile marketing theory in particular. This research has more specifically generated a deeper understanding for branded applications and how they are best used in the brand building process given the brand's relevance. It also emphasises the huge potential that mobile applications have for practitioners regardless of brand since consumers do not tend to view branded applications as an intrusive marketing tool, rather as providing valuable content. However, to be able to succeed in strengthening the brand, the branded applications have to offer a valuable function or content. This is something that managers have to keep in mind regardless of brand.

## 6.2 Managerial implications

The findings of this thesis have several implications for managers, even though the developed framework, *The role of Branded applications in the Brand building process,* is not applicable to all brands. Firstly, the research indicates the importance for managers to be up-to-date with new, emerging communication channels, if they are to capitalize on the benefits that these provide. Furthermore, the research shows that by treating mobile application as a complement to other channels and by creating an integrated communication strategy, managers may leverage on each channel's unique potential. Branded applications have also proven to provide brands with a unique opportunity to interact with their consumers given that they have acknowledged the consumers usage of the application. Hence, managers need to be aware that the consumers are in charge of the interaction, and that their demand for instructional content and functions need to be meet in a creative manner.

The findings also imply that regardless if you are a high or low involvement brand you need to provide consumers with unique content that aid their everyday life, otherwise they will turn to other channels or even another brand. Thus in the world of branded applications managers cannot take for granted that the consumers will be loyal to the brand or the branded application. As mentioned before function triumphs brand! Therefore, managers need to develop an application that corresponds to how the consumers want to interact with the brand. If this is done correctly the brand can benefit from increased awareness, brand engagement, loyal consumers and brand advocacy.

Managers also need to be aware that even though consumer acceptance is reached regarding mobile applications they still need to stay in their role as pull-based marketing, otherwise the consumers risk being discouraged which may affect the brand in a negative way.

Another aspect that this research highlighted is the importance of having a convincing advertising campaign for branded applications, since it has become more difficult to get noticed among the increasing number of applications in the different app stores. Hence, marketers and managers cannot rely on consumers to find the application themselves; instead they need to provide creative incentives for the consumers to download the application.

## 6.3 Limitations and Future research

From this thesis additional questions have arisen which were not able to be explored further due to time- and access limitations, and can thus be interesting for future research. The number of companies that have launched branded applications is increasing, which makes it hard for an application to stand out and make the consumer aware of their existence. This has enhanced the importance of having a convincing marketing campaign (Bellman et al. 2011), and both the focus groups and the companies discussed this issue with different results. The companies had not put any greater emphasis on promoting their branded applications and the consumers were more interested in peer reviews and recommendations than in-store promotion. Hence, there is a need to fill this gap and increase the understanding for how an effective and convincing marketing campaign can be created for branded applications.

Question such as: What actually makes consumers download a branded application?, needs further exploration.

The authors did not explore the technological restrictions with branded application, which may have an impact on how companies are able to use an application to strengthen their brand. This study is based on two brands and neither of these two companies are specialized on mobile applications. Hence, investigation of two brands that are more involved with the technological features can be interesting in order to explore which technological opportunities and restrictions that a company should be aware of when launching an app.

From this study the framework *The role of Branded applications in the Brand building process* was developed. The authors were only able to develop this from limited research objectives, hence it could be of interest to test this model further and try to explore if some generalisation can be drawn. Additional investigation can also be done regarding differences in consumers' attitudes towards free versus applications one need to pay, to see what impact that could have on the framework. As mentioned mobile applications are a new channel and therefore an interesting topic. There are still many questions unanswered, hence future research is required especially since it is said to be the future marketing tool.

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**Appendix**

*A. Interview Questions Nespresso*

Our aim is to investigate how brands use mobile marketing, especially applications, in comparison to other communication channels in the brand strategy. By conducting in-depth interviews with marketers in the field and comparing their mobile branding strategies with consumers' response our purpose is to create guidelines of how to integrate mobile marketing in the IMC.

- How would you describe Nespresso's Brand Strategy?
- How would you define Nespresso's identity/image?
- What communication channels are you using to communicate Nespresso's image?
- How would you define Nespresso's target group?
- How do you use mobile marketing to reach the target group?
- Which customer do you wish to reach by the mobile marketing activities?
- Are the mobile marketing activities an integrated part of the overall communication strategy?
- What message are you trying to communicate through the mobile marketing activities?
- How do you work with mobile marketing compared to other communication channels?
- What made Nespresso decide to launch a mobile application?
- What do you aim to achieve with the mobile application?
- How have you promoted your application?
- Have you experienced a difference in how consumers interact with the brand through the mobile application compared to other communication channels?
- What challenges and opportunities have you experienced with the mobile application?

### B. Interview Questions Kungsörnen

- How would you describe Kungsörnen's Brand Strategy?
- How would you define Kungsörnen's identity/image?
- What communication channels are you using to communicate Kungsörnen's image?
- How would you define Kungsörnen's target group?
- How do you use mobile marketing to reach the target group?
- Which customer do you wish to reach by the mobile marketing activities?
- Are the mobile marketing activities an integrated part of the overall communication strategy?
- What message are you trying to communicate through the mobile marketing activities?
- How do you work with mobile marketing compared to other communication channels?
- What made Kungsörnen decide to launch a mobile application?
- What do you aim to achieve with the mobile application?
- How have you promoted your application?
- Have you experienced a difference in how consumers interact with the brand through the mobile application compared to other communication channels?
- What challenges and opportunities have you experienced with the mobile application?

*C.  Topic Guide for Nespresso*
*(Based on Bryman & Bell, 2011: 512)*

**1. Introduction (10 min)**
**Introduce the moderators**
**Introduce the topic of master thesis and the purpose/aim of the focus group**
**Conventions:**
- · Confidentiality/Privacy concern – everyone is anonymous
- · Set the rules: Speak on at the time, you do not have to answer the questions if you do not want to, leave if you feel uncomfortable.
- · Open discussion, where everyone's opinion matters
- · Ask for permission on record the discussion
- · Report proceedings

**Introduction of participants – fill out basic socio-demographic information**
**Questions?**

*2.* **Discussion topics (45 min)**
- · **How would you define mobile marketing?**
- · **How do you experience mobile marketing?**
- · **What applications are you using?** *(Are these brands/products the ones you use regularly?)*
- · **Do you view mobile applications as marketing?**
- · **Do you have any applications from product brands?**
- · **How do you choose which application to download***? (Entertainment, favorite brands, information, brand awareness, relevance etc)*
- · **What do you expect from an application?** *(What should be communicated through applications?)*
- · **How has the downloaded applications affected you relationship with the brand?** *(Brand Awareness, Brand loyalty, generating trial, brand engagement, brand advocacy, shaping image/attitude)  Is it the functionality of the application or the brand that affects your decision to download and use the application?*
- · **Are you more prone to download an application for high-involvement products compared to low-involvement products?**
- · **Are you a current Nespresso customer? Why/why not?**
- · **What is your impression of Nespresso's application? (***Are you a current user of it?, Why/Why not?, Would you use it if you were a customer?)*
- · **What do you like about the application? What could be improved?**
- · **For what purposes are you using/would you use the application?**
- · **How well do you think Nespresso's image is communicated through the application?**
- · **How has the application influenced your relationship with Nespresso?/ How do you think it would affect your relationship?**

**3. Sum up (5min)**
**Questions/Anything to add?**
**Thank the participants**

***D. Topic Guide for Kungsörnen***
*(Based on Bryman & Bell, 2011: 512)*

**1. Introduction (10 min)**
**Introduce the moderators**
**Introduce the topic of master thesis and the purpose/aim of the focus group**
**Conventions:**
- ·   Confidentiality/Privacy concern – everyone is anonymous
- ·   Set the rules: Speak on at the time, you do not have to answer the questions if you do not want to, leave if you feel uncomfortable.
- ·   Open discussion, where everyone's opinion matters
- ·   Ask for permission on record the discussion
- ·   Report proceedings

**Introduction of participants – fill out basic socio-demographic information**
**Questions?**

*2.* **Discussion topics (45 min)**
- ·  **How would you define mobile marketing?**
- ·  **How do you experience mobile marketing?**
- ·  **What applications are you using?** *(Are these brands/products the ones you use regularly?)*
- ·  **Do you view mobile applications as marketing?**
- ·  **Do you have any applications from product brands?**
- ·  **How do you choose which application to download***? (Entertainment, favorite brands, information, brand awareness, relevance etc) Is it the functionality of the application or the brand that affects your decision to download and use the application?*
- ·  **What do you expect from an application?** *(What should be communicated through applications?)*
- ·  **How has the downloaded applications affected you relationship with the brand?** *(Brand Awareness, Brand loyalty, generating trial, brand engagement, brand advocacy, shaping image/attitude)*
- ·  **How many of your downloaded applications do you use regularly?** *(What kind of applications are these?)*
- ·  **Are you more prone to download an application for high-involvement products compared to low-involvement products?**
- ·  **Do you currently buy products from Kungsörnen? Why/why not?**
- ·  **What is your impression of Kungsörnen's application? (***Are you a current user of it?, Why/Why not?)*
- ·  **What do you like about the application? What could be improved?**
- ·  **For what purposes are you using/would you use the application?**
- ·  **How well do you think Kungsörnen's image is communicated through the application?**
- ·  **How has the application influenced your relationship to Kungsörnen?/ How do you think it would affect your relationship?**

**3. Sum up (5min)**
**Questions/Anything to add?**
**Thank the participants**

**E. Participants Guide**

<u>**Kungsörnen**</u>
**Question asked:**
- *How old are you and what is your profession?*
- *What is your relation to cooking and baking?*

**Focus group (20-35 years old)**
*Nils*: A 24 -year-old engineering student from Lund. His biggest interest is motorcycles and he has a girlfriend that loves baking.
*Sabina:* A 25-year-old marketing student that values healthy and ecological product options.
*Helmer:* Is a 34-year-old Project manager and former Service management student. He has as a passion for cooking and value high quality products.
*Emmy:* Is 30 years old and works as a recruiter in Helsingborg. Even though she likes cooking and values healthy food she has little time to cook during the weekdays.
*Filippa:* A 28-year-old travel sales agent that loves to cook delicious dinners for friends and family.
*Emily:* Is 21-year old and studies Business administration in Lund. She has just moved away from home and started to cook her own food. At the moment her favorite dish is pasta!

**Focus Group (40-55 years old)**
*Tina*: A 52-year-old middle-school teacher that values home-cooked dinners. She loves to grow her own vegetables and likes to be out in the nature.
*Göran:* Is 55 years old and works a history teacher. Loves to cook and experiment with food.
*Karina:* A 48-year-old sales representative that loves to bake cakes, but has no talent for baking bread.
*Petter:* Is 52 years old and works as a product developer in Malmö. He has worked with food his whole life and value high quality ingredients.
*Maja:* A 41-year-old interior designer that likes to be creative in her cooking.
*Anja:* Is 44 years old and currently unemployed. She uses her spare time to bake and cook delicious meals for her family.

<u>**Nespresso**</u>
**Questions asked:**
- *How old are you and what is your profession?*
- *What is your relation to the Nespresso brand?*

**Focus group (20-35 years old)**
*Niklas:* A 25-year-old marketing student that has been a Nespresso customer during four years. He is a big fan of high-tech products and keeps up-to-date with all the latest developments.
*Harald:* A 30-year-old waiter that drinks a lot of coffee to keep his energy level high during stressful days at work. He does not own a Nespresso machine, but has tasted Nespresso's products at a friends place.
*Sara:* Is a 23-year-old Nespresso customer that studies marketing in Lund. She is according to herself a coffee addict and loves coffee in all different shapes and sizes.
*Katja:* A 28 year-old hairdresser that serves a lot of Nespresso coffee to her customers at the salon. At the moment she does not own her own Nespresso machine but she is considering buying one.

***Elsa:*** Is a 35-year-old mother that loves coffee. She is not a Nespresso customer but is well acquainted with the brand since her dad has worked for Nestlé.
***Emilia:*** A 20-year-old engineering student that drinks a lot of coffee when studying. She was given a Nespresso machine for her birthday this year.

**Focus Group (40-55 years old)**
***Lena:*** Is a 50-year-old kindergarten teacher that loves to enjoy a cup of Nespresso coffee after dinner with her husband. She bought her first Nespresso machine six years ago and is still a satisfied customer.
***Lars:*** A 55-year-old Nespresso customer that works as a sales manager. He values high quality food and likes to try new dishes and flavors.
***Karin***: Is 45 years old and works as a makeup artist. She drinks a lot of espresso coffee but does not own a Nespresso machine. If she did not have her current espresso machine she would consider buying a Nespresso machine because of their good reputation.
***Pelle:*** A 40-year-old Nespresso customer that works as an accountant. Value high quality products and has a passion for design.
***Patricia:*** Is a 47-year-old teacher that loves cappuccinos. She is thinking of buying a Nespresso machine, but has not decided if she is going to buy a Nespresso machine or another brand.
***Charlotte:*** A 43-year-old marketing director that drinks a lot of coffee during busy days at work. She is not a Nespresso customer, but has several friends that own a Nespresso machine.