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Insights on Brand Identity Creation of Start-ups in
Business Incubators: An Exploratory Research
Conducted in Sweden and Macedonia



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ABSTRACT

Title	Insights on Brand Identity Creation of Start-ups in Business Incubators: An Exploratory Research Conducted in Sweden and Macedonia
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Authors	Aleksandar Joshevski and Lucas Noordhoorn
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Keywords	Brand identity creation, entrepreneurship, business incubators, start-up, Sweden, Macedonia
Res. Questions	In what way do start-ups that are part of business incubators located in Macedonia and Sweden create and build their brand identity? In what way do business incubators influence brand identity creation and building in startups that are located in Macedonia and Sweden?
Purpose	The purpose of this thesis is to conduct an exploratory study, in order to get a better understanding of brand identity relevance, creation and building across a diverse sample of countries and start-ups.
Theory	The theoretical framework of the thesis deals with three areas: Entrepreneurship, new ventures and start-ups; Brands, branding and related concepts; and Business incubators. The development of these areas of research is discussed as well as the relevance to this study.
Method	This study is an exploratory research using a constructionist ontological approach. Semi-structured interviews are aimed at gaining an in-depth understanding of the analyzed sample. However, this qualitative method technique is subjective and non-quantifiable.
Conclusion	The creation of a brand identity can be an extremely valuable tool in the creation a financially viable company according the previously conducted research. Arguably, this holds for start-ups in business incubators as well. This study concludes that not enough importance or efforts are placed in the establishment of brand identity as a priority for start-ups.

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1. INTRODUCTION

Branding is an area that has gained an immense amount of attention throughout the years. Companies are constantly seeking to position themselves on the market, which is an ever increasing competitive environment. In order to succeed, ventures will have to differentiate themselves from the rest of the crowd by providing different value added products and services. The concept of branding has taken a more important role within this context. Recognizing the opportunities and threats that exist on the market, businesses have put more effort into brand creation and building processes. This is vital in the pursuit of something that will help them increase the awareness and recognition in the eyes of the customers and lead towards success by attracting new customers and increasing their profits.

1.1 PROBLEM FORMULATION

Although brand identity creation is such a popular topic in the academic world and in practice, we found that this area of research is mainly viewed from 'large corporation' perspective. Hence, branding of start-up companies is often viewed as an 'oxymoron' (Merrielles, 2007), mostly because of the lack or poor understanding of the real meaning and importance of the branding concept (Bresciani & Eppler, 2010). This discovery has encouraged us to plunge deeper in to this field, with the ultimate goal of generating profound knowledge regarding brand identity creation in this type of new ventures. Furthermore, we believe that branding of start-up companies is an area of particular relevance to universities and governments that invest heavily in creating business incubators with the availability of pooled resources, expertise, financial support etc., with the purpose of stimulating the creation of successful entrepreneurial ventures. Therefore, we made a decision to investigate this neglected research area, and in particular the practical implementation of brand identity creation in start-ups that are part of business incubators.

Our interest in this topic on a more personal level is different: Lucas Noordhoorn is currently involved in the creation of a start-up affiliated with the business incubators which related to the faculty of LUSEM in Lund, Sweden. Aleksandar Joshevski has set his aspiration in the branding

and entrepreneurship fields, with brand creation and building in Macedonian start-ups as his central areas of interest.

1.2 SCOPE OF THE RESEARCH

Based on the literature and by implementing a research method, several concepts are going to be investigated empirically. In the beginning, an investigation is conducted regarding the ways in which new ventures create their brand identity. Rode and Vallaster (2005) state that there has been a vast body of literature on branding and communication, and research on new ventures and entrepreneurship is in abundance, but the intersection of these two fields (branding and new ventures) is still under-explored area. Furthermore, an emphasis will be put on the branding practices implemented by the start-up companies, in order to develop a clearly defined brand identity in the area of action and among customers. In addition to this, Bresciani and Eppler (2010) conducted a case study, which elaborates the branding practices of start-up companies in Switzerland. Finally, a deep exploration will be performed regarding the influence of business incubators on start-ups and the impact they have on the process of brand identity creation in these new ventures from Macedonia and Sweden. Hence, a substantial amount of attention will be paid on the incubators' support (financial resources, office space, consulting expertise, extended network of connections) in both countries and how can they contribute towards the establishment of start-ups and their products as successful brands.

1.3 STRUCTURE OF THE RESEARCH

This study finds its focal point in the analysis of six start-ups in two business incubators located in Sweden and Macedonia. In order to increase the exploratory value, a sample is studied, designed for its diversity: business to business (B2B) and business to consumer (B2C), virtual and non-virtual start-ups, as well as choosing start-ups that are located two different countries. Although the companies from both countries are part of the same industry and perform activities which are graded on the same scale, it is important to note that within this research, a direct comparison between the companies or incubators viewed from geographical perspective will not

be made. Instead, the purpose of this paper is to discover how ICT start-up companies, as part of two business incubators located in two different countries, create and build brands as part of the business incubator environment and to determine the impact of business incubators on the these two processes. The motives for doing this lie in our aim to create a further understanding regarding these phenomena, as well as to learn more about this industry and the ways in which companies handle these challenges.

1.4 RESEARCH QUESTIONS

Having built the foundations of our research problem and defined the areas we want to explore with this thesis, we have formulated two main research questions:

- In what way do start-ups that are part of business incubators located in Macedonia and Sweden create and build their brand identity?
- In what way do business incubators influence brand identity creation and building in start-ups that are located in Macedonia and Sweden?

These two questions represent guidance for conducting this research, by establishing the research strategy with an adequate research method that will helps us in making contribution to theory and practice.

2. THEORETICAL FRAMEWORK

Within this chapter, there are three important pillars that encapsulate the interconnected areas on which this study is built and that are going to be covered. Entrepreneurship, new ventures and startups; brands and branding; and business incubators represent a vital concepts that are going to be put forward in this section, with the final goal of answering the research questions and reaching a conclusion.

At first, entrepreneurship, new ventures and start-ups group of concepts are going to be scrutinized, in order to fully understand what the literature has to say regarding these phenomena. Hence, the main characteristics of entrepreneurship, definition of new ventures and the ways of establishing them are going to be presented. Furthermore, a definition of start-ups is going to be provided. This type of companies is important aspect of this research and therefore, creating a linkage between start-ups and brand identity is one of the objectives for this exploratory study.

The second group of concepts that is going to be addressed is brands and branding. After providing a generally accepted definition of branding, we plunge deeper in the concept of brand identity. Brand identity is an extremely significant part for this exploration, since it is a main concept which is part of both research questions that are going to be answered in this study. In addition to this, different branding activities that help the brand identity creation and building are going to be presented. Branding new ventures, and more importantly, start-up companies is another idea that will be presented, although the contemporary literature has little to say about this topic. Corporate branding is another piece of the branding puzzle that will allow us to fully grasp the idea how companies, not just large corporations, but also how SME's develop brands. In the end of this section we present parts of literature that are connected with B2B branding, online branding and we look into the bond between entrepreneurs and branding.

Business incubators are addressed as the second concept in this theoretical framework. This is essential for creating a clear comprehension of business incubators as institutions, their evolution, the types of incubators, as well as the services they provide to young firms that are beneficial for creating and building strong brands.

2.1 ENTREPRENEURSHIP, NEW VENTURES AND START-UPS

Regardless of the fact that the twentieth century was a period in which large firms and organized capitalism controlled the business world, the last couple of decades of this century brought a significant alteration from "managed" to "entrepreneurial" economies (Whittaker, 2009). The interest in entrepreneurship in the academic world became more evident in the late 1970s and the beginning of the 1980's and factors that have lead towards this shift are: a) the new technological model that is based on microelectronics, an industry that created a number of opportunities for combination and substitution of the production factors in the development process, and b) the changes in the economic tradition, the affirmation of the neoliberal economic perspective as a dominant philosophy in the economic world (Fiti, Hadzi Vasileva-Markovska & Bateman, 2007).

Entrepreneurship is connected with the establishment of new ventures. *New ventures* are recognized as profit organizations that exist on the market for a short period of time, after being founded (Zahra, 1996). A person known as entrepreneur tries to realize the opportunities that are given by the market at a specific time and place. According to Gruber (2007), business opportunities begin as rough ideas and entrepreneurs should work on developing those ideas to the extent of having enough information and creating a conceptual clarity for setting up a business.

Fiti, Hadzi Vasileva-Markovska and Bateman (2007) put an emphasis on four characteristics and elements of entrepreneurship:

1. Innovation
2. Risk
3. Combination and mutual substitution of development factors, including marketing mix
4. Rational usage of resources

As Zhang and Haiyang (2010) suggest, entrepreneurs establish new ventures so they can exploit opportunities and create wealth by offering various innovative products, goods and services. This definition presents an important element that is significant for this discipline: innovation.

Innovation can be defined as a concept of creating better or more effective products, services, technologies, processes and ideas that are later presented to markets, governments and society (Xiaoyu & Steven, 2012). However, innovation is not just creating better products from scratch, but also refers to the improvement of existing products, in order to increase their efficiency and effectiveness.

The concept of innovation is the core of Schumpeter's (1950) learning. His work finds its focal point in highlighting the process of new combinations and is known for setting the stage for innovation and entrepreneurship literature (Swedberg, 1991). As Lazzarotti, Dalfovo and Hoffman (2011) explain, Schumpeter tries to address the entrepreneur as an individual who holds a responsibility for creating new combinations in the economic world and innovates and produces changes in the business environment. The entrepreneur acts on his own initiative and will, creates companies and by doing so, he becomes responsible for preserving the capitalist economy.

Entrepreneurship is about taking risks. New ventures and especially start-up firms are an immense risk for entrepreneurs. Timmons and Spinelli (2004) conclude that one in five newly established companies fail. Furthermore, Changanti and Changanti (2012) state that previous studies have shown that two out of three new companies do not survive within the period of seven years. There can be various reasons for failure such as: the inability to successfully understand the resource logic (Saxton et al, 2010), personal characteristics, managerial deficiencies and financial shortcomings (Larson & Clute, 1979), 'liability of newness' and the "liability of smallness" (Zacharikis, Meyer and DeCastro, 1999) etc.

New ventures are founded in several ways. The Strategic Planning Institute (1978 cited in Gartner, 1985) states that new business ventures can be established as:

1. An independent entity
2. A new profit center within one company that owns previously established businesses
3. A joint venture

Start-ups can be defined as businesses that have not been present on the market before (new), have at least one active employee during a given time period and have no obvious parent company in any other business that currently exists (independent) (Luger & Koo, 2005). The

concept of start-ups quite differs from the definition for new ventures provided by the Strategic Planning Institute in one aspect: start-up firms cannot be established as a new profit centers within existing businesses. The start-ups definition emphasizes clearly the fact that start-up companies are totally independent firms and that they are not part of previously established companies.

In the new venture lifecycle, start-ups usually spread between the 'Start Up' and the 'Growth' phases. During the 'start-up' phase, the entrepreneur's attention is divided on finding peers, partners, potential customers and investors that will support his/her initial idea and lead towards implementation (Gondal, 2004). As seen from financial point of view, the "Start-up" phase can be separated on 'Seed/start-up' round and 'First' round. In the 'Seed/start-up' round, the entrepreneur has an initial idea and a concept for creating a potentially profitable business and in order to execute this idea, a certain financial support is needed by '3F funds': family, friends and fools (Fiti, Hadzi Vasileva-Markovska & Bateman, 2007). In the "first" round financing stage, the entrepreneur should already have a beta product and possess documents such as document of intent to buy or beta testing agreements for the product from potential customers (Gondal, 2004). Within this stage, dominant sources of financing are the funds provided by business angels (Fiti, Hadzi Vasileva-Markovska & Bateman, 2007).

In the 'Growth' phase, the entrepreneur tries to improve the company's scalability to a number of different industries and organizations by making smaller alterations or revisions to the existing product (Gondal, 2004). During this stage, the management of internal processes and people are crucial aspects (Stokes, Wilson & Mador, 2010). In order to fully sustain the growth of the company, the manager should consider hiring other employees for non-management roles that will support the development of the company and take the business throughout this phase.

In general, small and new businesses have several advantages and disadvantages that are related to their scale and scope: they experience bigger and faster growth than other firms, but they have less political and economic power, when compared to larger and older firms (Box, 2005). Furthermore, small and new businesses have the flexibility of adapting to the changes that the business environment imposes. They are also in a better position for introducing new ideas that which will bring improvements in the firms' strategic operations. However, as mentioned earlier,

the risk of termination or failure is quite a bit higher than the larger businesses that have been present on the market for a longer period of time (Box, 2005).

This part presents several inter-related concepts that are investigated with this study. Understanding the importance of entrepreneurship and creation of new ventures is crucial for creating a linkage between the start-ups and the development of a brand. Having a clear comprehension regarding their strengths and weaknesses, as well as the ways in which they obtain financial resources is essential, in order to fully grasp the challenges these companies face when they try to create and build a brand.

2.2 BRANDS, BRANDING AND RELATED CONCEPTS

2.2.1 BRAND DEFINITION

The term branding takes a key role in this study and is therefore critical to address in some detail. The differences in interpretation of what a *brand* entails, and what *branding* means, are vast. Most studies in this field of research stress these differences and attempt to sketch the respective landscape of academic interpretations. We will do so as well, firstly referring to the definition used by the American Marketing Association, which functions as a definition used in most marketing textbooks and can therefore be used as a good starting point in gaining understanding of the what a brand and branding entails.

"A brand is a customer experience represented by a collection of images and ideas; often, it refers to a symbol such as a name, logo, slogan, and design scheme. Brand recognition and other reactions are created by the accumulation of experiences with the specific product or service, both directly relating to its use, and through the influence of advertising, design, and media commentary" (American Marketing Association, 2013).

This definition incorporates several aspects which not all authors agree are part of what constitutes a brand. Other aspects are left out or undervalued in this definition. By use of this generic definition we aim to clearly illustrate the differences in academic tradition of what a *brand* entails.

Firstly, we address the brand and customer experience. A customer experience is ‘represented by a collection of images and ideas’ according to Kapferer (2004), who agrees with this statement, by presenting his views on a brand as an accumulation of experiences. However, experience alone is not enough when considering the emotional values that differentiate one brand from another, and therefore the preference of the consumer (Balmer, 2002; de Chernatony & McDonald, 1998). Secondly, these images and ideas refer to a symbol according to the AMA definition, which is in line with the previous findings of Keller (2003) who uses the same interpretation. Thirdly, the recognition of the brand is addressed as being influenced by interaction with the brand its products or services, which is in line with Wheeler (2003) and Kapferer (2004), who claim a brand needs to be based on the promise that a product, service or company makes to deliver on. It can be found to be rather limiting though, when considering the suggestions of Kay (1995) and Argenti & Forman (2002) who state that a brand is a vehicle for consumers to define their own identity. This can be viewed as an important extension of the AMA definition, in the fact that it clearly illustrates the large differences we find in the literature today.

Lastly, advertising, design and media commentary are mentioned as part of influencing factors in the recognition of a brand and branding as such. Indeed, most authors agree on the relevance of these methods of communication of a brand (Argenti & Forman, 2002). Nonetheless, the literature does not form a clear opinion on the matter, since it is certainly not the exclusive methods of influencing brand recognition.

The previously presented facts show that there has been a vast of differences in the academic literature regarding the definition of brand. Recognizing this, and in line with the aim of this research, we believe that a clear definition which encompasses a large array of the aspects a brand can consist of is essential for deeper investigations within these fields. Therefore, we believe that one brand definition provided by Rode & Vallaster (2005) fits better in the context of our research. According to Rode & Vallaster (2005), a brand is:

“Total sum of organizational signs that are being transferred to its various audiences: through the core values for which the organization stands, the behavior of employees, through all sets of symbolic representation regarding graphic

designs and via all corporate communication toward internal and external stakeholders of the company” (Rode & Vallaster, 2005, p. 121).

The fact that all stakeholders are mentioned in this definition, as are the core values, behavior of employees and symbolic representations, opens a possibility of investigating all of these aspects during the analysis of the companies and incubators that are part of this study.

2.2.2 THE IMPORTANCE OF BRANDING

The value of branding can be clearly illustrated by the use of an innovation which can be branded, particularly relevant to the start-ups in our study sample who mostly deal with some types of innovation within the field of ICT.

Firstly, a brand allows a company to own their unique approach or product in a more substantial way than a trademark would (Aaker, 2007). Legal protection is limited since a competitor might alter some small things in your design and reap the benefits. A brand however, can make sure that a product or service will be indefinitely connected to a certain brand, which makes all competitors imitators in the eyes of the consumer (Keller, 2006).

Secondly, credibility and legitimacy are some of the main motivating factors for creating a strong brand. A striking example given by Aaker (2007) is that of Audi Quattro, their four-wheel drive technology. By branding the innovation Audi has managed to secure a heightened level of credibility and legitimacy concerning the quality of their product and the Audi brand as a whole, by doing so, distinguishing themselves from the competition (Aaker, 2007). Credible brands are subject to lower levels of price sensitivity, allowing for higher profit margins (Erdem, Swait & Louviere, 2002).

Lastly, a brand allows for easy external communication of the brand and the brand promise it delivers (de Chernatony, 2002). Creating a recognizable company and clearly communicating the promise can be a daunting obstacle. Creating a brand can serve as an outstanding vehicle in transferring and communicating the promise of the company or product more easily and connecting it to a higher level of recognizability.

2.2.3 BRAND IDENTITY

The identity of a brand is considered to increase in relative strength when it is consistent in nature. The level of homogeneity is based on the size of the respective ‘gaps’ between the components of which the brand identity is built up.

De Chernatory (1999) argues the importance of brand image is generally overvalued in respect to the brand identity, for a brand’s image is merely the externally perceived reflection of the multifaceted body that is the brand identity.

According to de Chernatory (1999), the brand identity is construed out of a number of components (see figure 1). His visualization of the relations of the various components finds the brand culture and brand vision in the center, which indicates the abstract theory to be viewed from the perspective of the culture and vision. These are subsequently influenced by the respective positioning, personality and relationships of the brand.

The vision of the brand is not always clearly defined in the creation of a brand, but it is certainly one of the cornerstones needed to construct one. As de Chernatory (1999, p. 166) continues, “...to thrive a brand needs a clear vision giving a well-defined sense of direction”. This argument enhances the necessity for one company to have a clearly defined brand vision that will show the path a company should take and stresses the importance of creating and building a strong brand.

Another important aspect that is rooted in the "basic assumptions" is the brand culture. The brand culture grants us insight in what truly constitutes as the center of the figure one, which has been addressed above (Schein, 1984). Artifacts and mental models are components of the brand culture, the ‘basic assumptions’ which are referred to as ‘core values’ in the figure. The ‘peripheral values’ are more prone to change and therefore less important in gaining an understanding of a particular brand and its culture (Kotter & Heskett, 1992).

The third element of this model is the positioning. Traditionally seen, positioning has been connected with the relation one brand has to its competitors. However, the contemporary literature suggests that positioning refers to the qualities of the brand. With this, the emphasis is

put on the organic development of internal characteristics that lead to the external positioning of a brand

The personality of a brand simplifies the process of recognition and categorization for consumers (Aaker, 1997). According to Lee and Miloch (2011) the personality of a brand can be described as the ‘personification’ of what the brand stands for. This means that the attribution of a personality to a brand is de facto the attribution of human traits to a non-human entity: in this case a brand. The fact that consumers view brands with the same eyes they would individuals is valuable to realize when constructing a brand identity (Lee & Miloch, 2011). This brings us to the relationships of the brand, where all stakeholders in the brand are regarded.

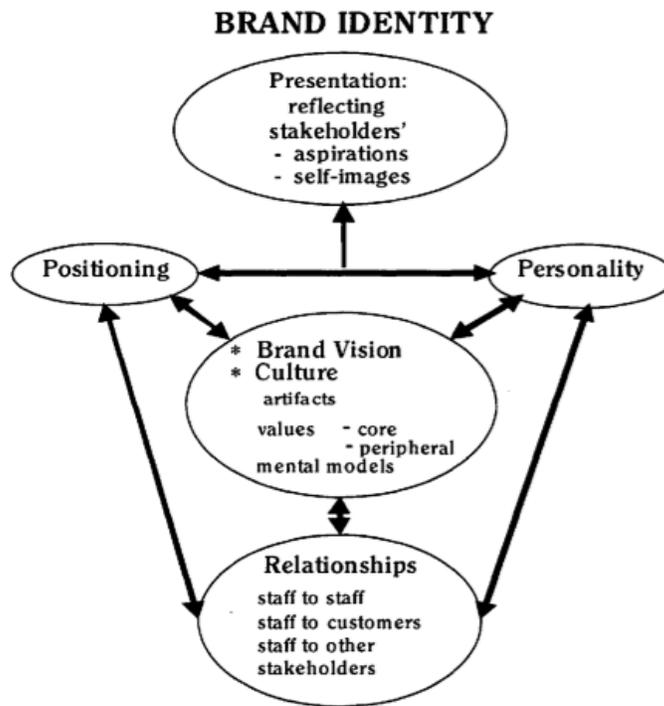


Figure 1. The components of brand identity (de Chernatony, 1999)

The presentation of the brand has to be aligned with the primary components of the brand, i.e. brand vision and brand culture (Belk, 1988; Hogg & Mitchell, 1996). In this way, the externally communicated presentation of the brand has to be in congruity with the components of the brand identity in order to truly bring across the message and for all stakeholders involved to identify themselves with the brand (de Chernatony, 1999).

In this study we are particularly interested in discovering how start-ups in business incubators grade the relevance of the before mentioned components of vision, culture, positioning, personality, relationships and presentation of the brand. The relevance and subsequently the creation of the brand will be addressed, as well as the building of the brand, both by use of these components.

2.2.4 CORPORATE IDENTITY

Defining the concept of corporate identity can be approached from a number of angles. It is important to address the development in contemporary research and the positioning of this study respectively.

Van Riel and Balmer (2001) have given a rather clear overview of the field in their "Corporate identity: the concept, its measurement and management". Graphic design, integrated corporate communication and multidisciplinary approach are the focal point of organizational behavior. The tradition in corporate identity studies which is based on graphic design can be described as attributing the greatest importance to the identity which is communicated both internally and externally with recognizable visual aids. Frontrunners in this North-American dominated field can be attributed to this tradition (Selame & Selame 1975; Margulies, 1977). Subsequently, the field was further developed in the Anglophone tradition (Olins 1978, 1989; Bernstein 1986; Pilditch 1970). Nevertheless, in the 80's of the previous century the European continent gained further academic interest for the creation of corporate identities based on graphic design where the symbolism of such graphic design became increasingly important in later research.

This tradition of corporate identity studies is important in this exploration, mainly because the design of corporate logos and professional corporate website design are part of the brand creation process addressed in the interviews that have been conducted, aiming to understand the relative importance that is attributed by business incubators and start-ups to this process.

The 'visual identifiers' in the form of logos and other visual design can have a great impact on the creation of a valuable corporate identity in case they are aligned with the non-visual message the company communicates (van Riel & Balmer, 1997).

The second corporate identity tradition is that of the integrated communication. This tradition of research attributes great value to the consistency of all corporate communication (Bernstein, 1986; Schultz, Tannenbaum & Lauterborn, 1994). When considering brand relevance which takes a prominent role in this study, the consistency in communicating a corporate identity is rather vital. A clear understanding of what actually the corporate identity of a company is and the respective relevance of having such a clearly defined identity is vital in creating a consistent communication strategy.

The third tradition truly integrates the first two traditions in the consistency of a corporate identity and the communication of such (Abratt, 1989; Albert & Whetten, 1985; Balmer, 1994; 1995; Wiedmann, 1988). Logos and other manners of communication are aligned with the vision, mission and core values of the company. According to van Riel and Balmer (1997; p. 341): "a corporate identity refers to an organization's unique characteristics which are rooted in the behavior of members of the organization". These members are influenced by the communication both internally and externally which is considered equally important to the alignment of key-value in the creation of a successful corporate identity.

The alignment of vision, mission and core values with the corporate identity which is communicated is addressed in our interviews when determining the perceived brand relevance in the creation of new ventures (Hatch & Schultz, 2001)

The interaction of the corporate identity and the environment is visualized below in figure 2, which shows the continuous influence the environment has throughout the development and performance.

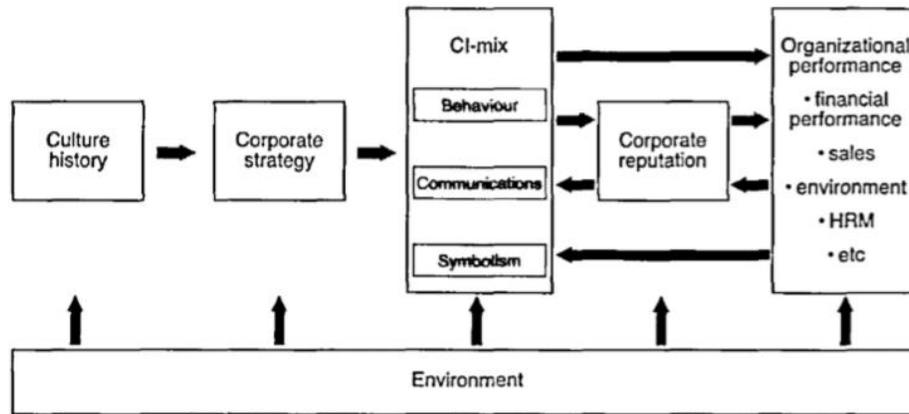


Figure 2. Interaction between corporate identity formation, reputation, improvement and organizational performance (van Riel & Balmer, 1997)

The environment in the case of start-ups in incubator naturally incorporates the business incubators' role which is of significant value to this study.

The brand relevance which we determine through conducting the interviews with the managers of the business incubators will teach us more about the importance they attribute to the creation of a corporate brand and the brand creation and brand building efforts will give us insight in the resources that are put to practical use in stimulating those efforts by start-ups.

The term corporate identity is often incorrectly interpreted as limited to large corporations. In reality there are certain situations which make the creation of a corporate identity unnecessary. Companies that fit this mold are for instance 'product incubators'; companies that bring product brands to the market and aim to sell them as an exit strategy. Another situation which makes corporate identity creation unimportant is after a merger or acquisition activity. In this case the brand with which the consumer is already familiar can create stability after the merger or acquisition, rather than overshadowing it with a new corporate identity. The last incompatible situation for a corporate identity is the case of companies that expect fallout, in other words; they deal with very high risk ventures and only expect a number of these ventures to reach maturity. In this case the corporate identity might not coincide with such a high level of failure. Exceptions to this are for instance Virgin, with its charismatic CEO Richard Branson. Virgin stands for moving boundaries and taking risks. The corporate identity is therefore very strongly communicated externally (Hatch & Schultz, 2001).

2.2.5 BRANDING OF NEW VENTURES

The concept of branding has gained great popularity in the business world. This expansion has led towards creating new ways of perceiving the relevance of branding that show dissimilarities with traditional ways of seeing this concept as more suitable for 'large corporations'. The main reasons for these prior beliefs lie in the inability to understand the real meaning of the branding concept (Bresciani & Eppler, 2010), something that had serious impact on the development of this concept in the academic world and practice.

Among the first persons who state that brand strategy is not for only large organization is Keller (1998). Hence, he gives several propositions that can be helpful for branding of small businesses. Steiner (2003) plunges deeper into the corporate identity of young companies that are part of the real estate industry and marks five factors that affect early corporate identity: vision, play, aesthetics, charisma and trust. Rode and Vallaster (2005) analyze the development of the corporate brand in the beginning phases of start-up companies. Furthermore, they investigate the processes that take place as a result of the decisions regarding corporate culture, corporate behavior, corporate design and corporate communication. Merrilees (2007) examines how branding can make the development process of new ventures way easier, a model that is going to be explained later.

Corporate branding has become an essential aspect for the development of new ventures. According to Timmons (1999), the inability to establish a corporate brand in the market for a short period of time can lead start-ups towards disappearance from the market. This statement enhances even more the role that branding has as a tool that allows these companies to successfully position on the market, a place where they face a fierce competition. However, the process of establishing a corporate brand is quite challenging, if we consider the facts that these companies have limited financial resources, limited knowledge and inexperience regarding this type of activities.

Brand identity is an important variable in the creation of legitimacy for new ventures. According to Zimmerman and Zeitz (2002) legitimacy is vital in acquiring resources needed for start-up firms to become successful. Furthermore, they argue that the process of creating legitimacy can

be done by acquiring highly experienced executives, establishing benchmarks within the industry of operating, or by creation of environment which contains 'scripts, rules, norms, values and models' (Zimmerman & Zeist, 2002).

Branding of new ventures is particularly important part for this study. Exploring this field is vital for understanding the importance of corporate branding for new companies. Having a clear corporate brand identity can positively affect the companies and result with facilitation of their development and creation of opportunities for successfully positioning on the business market. Furthermore, creating and enhancing the legitimacy with strategic decisions can strengthen the position of the company on the market and achieve growth.

2.2.6 BRANDING TOOLS

Brands are created and built by use of certain tools, as described by Bresciani and Eppler (2010) in the model that is utilized for this study. These tools vary from creating logos and company names, to utilizing online marketing and other tools for building a strong brand.

The tools that are explicitly mentioned in this study and measured amongst the analyzed companies are the following:

- Company name
- Logo
- Mission and vision
- Documented idea from the start
- Advertising
- PR
- Sponsoring
- Internet domain with same name
- Online marketing
- Newsletter
- Music/jingle
- Videos
- Uniforms/branded clothes
- Structured recruitment process
- Internal communication rules/policies

- Internal brand communication
- Brand measurement

Company name

Perhaps the most fundamental element of brand awareness is the brand name (Halpern & Regmi, 2011). Choosing a brand name is one of the most-fundamental things for companies (Aacker, 1996). A brand name offers symbolic meaning that influences the customers' recognition and assists in predicting a service outcome (Herbig & Milewicz, 1993). Therefore, brand name has to be memorable, distinctive, meaningful and easy to pronounce (Brassington & Pettitt, 2006). Furthermore, marketers pay a lot of attention to the name, because they recognize the fact that, a properly created name can bring value to the brand and cause enviable properties within target markets (Usunie & Shaner, 2002).

Logos

The word 'logo' is commonly referred to as a variety of graphic and typeface elements or as graphic design which is utilized by one company, with the ultimate goal to identify itself or the products and services it offers (Bennett, 1995; Giberson & Hulland, 1994 cited in Henderson & Cote, 1998). Logos represent one of the most important assets that companies splurge massive amounts of money and time promoting (Rubel, 1994). Logos are important part of the branding strategy, because they serve as a tool for differentiating the company from the others and creating awareness and recognition about that company (Henderson & Cote, 1998).

Documented idea from the start

Entrepreneurs mainly use two ways to launch a venture: with a business concept in-mind or with a previously written and defined business plan (Gruber, 2007). Simoneaux and Stroud (2011) highlight the importance of a business plan by naming it as a company's global positioning system (GPS) that is used for communicating the vision of the company, its' goals and objectives and provides the company's with a route that shows how to get there. Moreover, they stress the significance of business plan, especially for start-ups that are in the pursuit of funding or when buying or selling a business.

Mission and vision

Mission and vision have been overwhelmingly considered as essential part of the strategic management of one company (Darby, 2012). The mission statement of one company should present the character, scope of operation and the identity of that company (Zimmerer & Scarborough, 1998), while the vision should point out the strategic direction that is considered as springboard for the mission and is connected with the company's goals (Darby,2012). Furthermore, these statements should communicate the public image of a company with the stakeholders, both internally and externally (Germain & Cooper, 1990). Moreover, these statements can contain elements that will distinguish one company from the other businesses (Sufi & Lyons, 2003).

Advertising can be defined in a variety of ways which vary based on the broadness of interpretation. In the eyes of many consumers advertising encompasses all areas of marketing and branding, by doing so disregarding some important distinctions. Essentially advertising can be defined as announcements on varies types of media that are paid for by the company (Richards & Curran, 2002).

Public Relations (PR) is in essence concerned with maintaining and building strategic relationships (Hutton, 1999). This can be given form in for instance press releases – when addressing a larger audience – which is important in the case of start-ups and business incubators in externally communicating important developments.

Sponsoring is a way in which companies can positively influence their perceived brand image. Sponsorships can show to the public that the company is willing to give back to society and by doing so enables itself to strengthen existing relationships and create new ones (Dean, 2002).

An ***internet domain with the same name*** as the company can be incredibly valuable in creating a level of professionalism and legitimacy which start-ups strive for. Furthermore, it becomes instantly possible for (potential) stakeholders to find the company information in a matter of seconds (Bresciani & Eppler, 2010). This is possible to reach without the use of an internet

domain with the same name as the company name, but this will take a longer time since search-engines such as Google™ do not automatically show the company as the first search-result.

Online marketing also takes many forms since it is such a broad term. In this study the forms of advertisement previously mentioned can be attributed to online marketing, granted that they are performed in an online environment. Since the importance of search engines is significant these days, search engine optimization (SEO) and Google Adwords are ways of increasing the online exposure of the brand.

Newsletters are used by a lot of companies in keeping their stakeholders informed about their products or services and developments within the company. It is a way of maintaining relationships that otherwise might fade due to lack of attention.

Music or a jingle can be used to reach the customer by incorporating more senses in the way the brand-recognition is ‘triggered’. When a certain jingle is locked in the minds of the consumer as connected to a certain product or company, the brand its value can increase.

Videos are chosen by more and more companies, who decide to publish both informative and entertaining videos concerning their business on their corporate websites and for instance YouTube. A video can very quickly and clearly explain what the unique selling points (USP’s) of the company are and how the products function. Costs can be reduced in customer service and the brand identity can be communicated and easily distributed and spread (Pattison, 2011).

Uniforms/branded clothes can be used by certain companies to influence the perception of professionalism that consumers have of the brand. The manner in which the customer perceives the brand is what truly matters and what constitutes the brand (Argenti & Forman, 2004).

Structured recruitment processes can be utilized in matching potential candidates with the cultural values of the company, which could lead to a development of the brand which is in line with the vision and mission that have been formulated (Bresciani & Eppler, 2010).

Internal communication rules/policies have the ability to clarify the way in which the company wishes to be perceived by all stakeholders.

Internal brand communication includes a wide variety of media including newsletters, but also all online and offline vehicles of communication which may be used. Reinforcement of the brand identity amongst the stakeholders, in particular the employees, should be a priority in internal brand communication (Bresciani & Eppler, 2010).

2.2.7 ONLINE BRANDING

Branding as a discipline has undergone an incredible transformation since the dawn of the Internet-era. This transformation has created opportunities and challenges in the creation of corporate brands and product brands. The manner in which consumers perceive the identity of a company these days is largely influenced by the way the designed online presence of the company. This is a process which has become ever more challenging to get ‘just right’ in connecting with the target-group. When communicating with the customer in an online environment, it is of vital importance to keep the information concise and the manner in which is communicated clear. The internet can easily become what seems an ‘endless sea of information’. By use of bullet-points, outstanding visuals and language that is aimed at making the information easily understandable, can really help in connecting with the customer stimulate the creation of a relationship with the brand (Power et al., 2012).

The next step in this process of evolution of online branding is certainly the involvement of social media. Companies find themselves in a world where the consumer has claimed an ever increasingly powerful role where the ‘voice’ of the customer is heard, and most of all- ‘shared’.

This increasingly important voice of the consumer makes for the increased opportunity of dialogue between the companies and their customers as well. When companies do not try to undermine the consumer empowerment, but embrace it and look for ways of communicating with them in a relationship on equal terms, social media can definitely be seen as an important opportunity (Power et al., 2012). An important tool in achieving this can be facilitation of

interaction amongst customers. Since the emancipation of the modern consumer, ‘transparency is key’ when online branding is concerned.

Figure 4 shows the development where more websites in ‘web 1.0’ develop towards ‘lightweight collaboration in ‘web 2.0’ and leave us with ‘social media sharing’ and ‘semantic databases’ in ‘web 3.0’ where we currently find ourselves (Urenio, 2012).

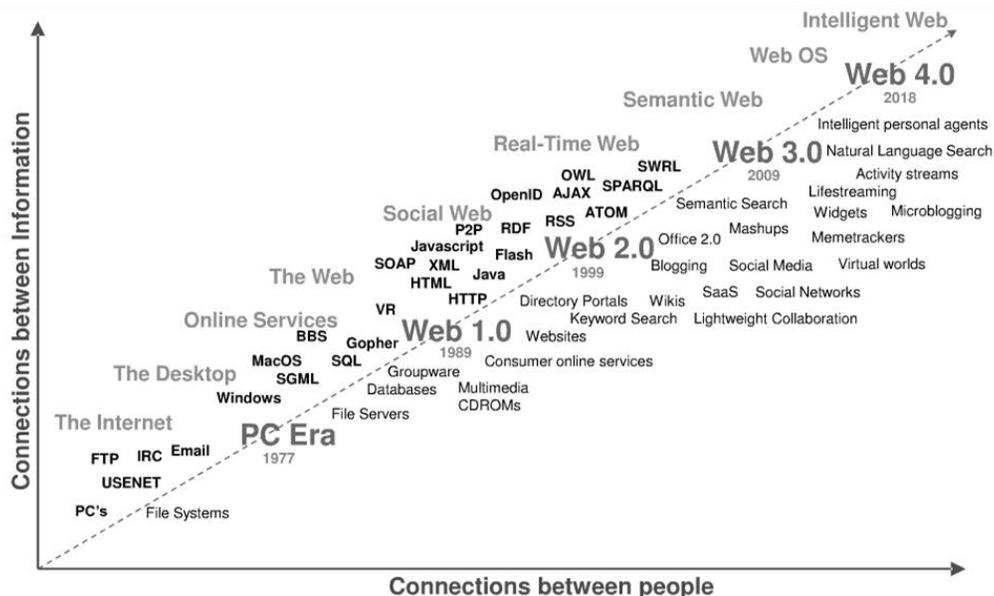


Figure 4. Connections between people and connections between information (Komninos, 2012)

Online corporate branding

In creating an online corporate brand, the literature addresses two main points that require attention from companies: functionality and emotion. Faridah and Alwi (2009) have grouped recent examples of such articles that argue for the importance of these two attributes (Supphellen & Nysveen, 2001; de Chernatony & Christodoulides, 2004; Stuart & Jones, 2004).

Particularly when the customer interaction is predominantly online, the online corporate branding strategy can impact the successfulness of the company and the way it is perceived.

Important ‘images’ of companies that influence the corporate brand identity in an online setting are for instance “Agreeableness, Innovation, Chic, Informality and Competence” (Faridah & Alwi, 2009).

2.2.7 B2B BRANDING

For this study it is particularly important to address branding in the more traditional business to consumer (B2C) setting, as well as the business to business (B2B) relationship which is essential for many start-ups. Both of these business models are explored in this study, with more emphasis being put on the challenges that occur in B2B context.

By ‘traditional’ we mean that branding in business to business relationships is often disregarded in both academic literature and particularly in practice, where only the product is subject to branding efforts (Gardner & Levy, 1955). The argument for doing is the assumed complete rationality in the decision-making process of professional actors. By doing so disregarding the ‘emotional’ arguments a brand would have versus a non-branded equivalent.

However, contrary to this belief branding in industrial markets has been found to increase the perceived quality of companies and increased the willingness by other businesses to pay a premium (Cretu & Brodie, 2007; Michell, King & Reast, 2001). Since customers in a business to business environment often need to make large commitments, both in financial size and time-period, the level of trust a company evokes is crucial. Brands have shown to have the ability to increase perceived trustworthiness of a company which makes B2B branding extremely important and again refutes the idea that professional buyers are completely rational (Michell, King & Reast, 2001; Low & Blois, 2002).

In B2B branding the question arises whether it is more important to brand the products (product branding) or focus on branding of the company as a whole (corporate branding). Although corporate identity was discussed previously, it is important to note that again there are several perspectives on the importance and interpretation of corporate versus product branding in a

business to business environment. Recurring themes however, are the importance of corporate branding in building relationships based on trust, reliability and quality which the corporate brand stands for (Bengtsson & Servais, 2005).

2.2.8 ENTREPRENEURS IN BRANDING

Branding as a discipline has long disregarded small and medium sized companies (SME's) as relevant concerning research or implementation. Marketing-literature has made a faster move towards incorporating SME's as subjects of study and concluding they are viable agents in the implementation of a strategic marketing plan (Gilmore et. al. 1999).

Nonetheless, branding still suffers from a stigma which connects it to being reserved for large corporations that have the size and muscle which is considered to be necessary for the implementation of a branding strategy (Merrilees, 2007).

Certainly, there are differences to be found in the way a large corporation goes about branding the company or its products versus a much smaller company or even a start-up. A level of efficiency and extreme focus of the branding efforts are required of smaller players, not in the least because of smaller pockets to fund the implementation (Abimbola, 2001).

2.2.8.1 BRAND-LED NEW VENTURE DEVELOPMENT AND BRANDING TOOLS

Merrilees (2007) has constructed a framework concerning the importance and implementation of branding activities in start-ups, which is particularly relevant to this study. This next part will briefly illustrate this framework. Eight propositions are used to describe the proposed manner in which start-ups could maximize the potential of their brand.

Firstly, the focus of a branding strategy is proposed to lie on the corporate brand (Abimbola, 2001), by doing so maximizing the return of the strategy. This efficiency lies in the idea that multiple branding strategies for multiple products in a company's portfolio will be less effective

than one all-encompassing strategy for the entire company and product-portfolio (Merrilees, 2007). We have already delved into the concept of corporate branding more detailed, during the description of brands and branding part within this theoretical framework. Secondly, the importance of the founder(s) of the venture is stressed in the creation of a brand-led new venture (Vallaster & de Chernatony, 2006). The challenge lies in the fact that entrepreneurs often find themselves fulfilling a wide arrange of roles within the venture which makes what Merrilees refers to as ‘taking responsibility for getting stakeholders to buy-in to the corporate brand’ difficult and often lower on the priority-list than necessary. Thirdly, branding forces the entrepreneurs to increase focus which helps in distinguishing the brand from the competition and in finding focus on ‘core values and key customers’ (Merrilees, 2007). Fourthly, Merrilees defines branding as a ‘holistic tool’ for potential and existing entrepreneurs. It is a tool in the sense that the world viewed through a ‘branding lens’ groups business opportunities in branding opportunities which adds to the direct focus entrepreneurs find in their start-ups. The fifth proposition is also related to the business-focus, this time referring to the business plan becoming ‘sharper’ through corporate branding. This leads us to the increased effectiveness of efforts in acquiring financing because of a better communicated business plan. Furthermore, this leads to higher levels of trust concerning the viability of the company and its management (Scarborough & Zimmerer, 2006). The seventh proposition is that a brand can help the company in increasing customer loyalty and the last proposition is concerned with increased trust in a business to business relationship, which is discussed in greater detail further on (Merrilees, 2007).

In conclusion, the role of the entrepreneur in the brand-creation process by use of the appropriate tools is paramount to its success. An entrepreneur has to ‘live the brand’ and continuously communicate the focus and uniqueness of the brand in order to succeed.

2.3 BUSINESS INCUBATORS

In the academic world, there are numerous definitions of the concept of business incubators. One of the most accepted definition is given by the American National Business Incubators Association (NBIA):

"Business incubation is a business support process that accelerates the successful development of start-up and fledgling companies by providing entrepreneurs with an array of targeted resources and services. These services are usually developed or orchestrated by incubator management and offered both in the business incubator and through its network of contacts. A business incubator's main goal is to produce successful firms that will leave the program financially viable and freestanding... Critical to the definition of an incubator is the provision of management guidance, technical assistance and consulting tailored to young growing companies. Incubators also provide clients access to appropriate rental space and flexible leases, shared basic business services and equipment, technology support services and assistance in obtaining the financing necessary for company growth... Incubator clients are at the forefront of developing new and innovative technologies – creating products and services that improve the quality of our lives in communities around the world" (NBIA, 2013).

This definition clearly provides the purpose of the business incubation process. Furthermore, it puts an emphasis on the responsibility of the incubator management, for providing a set of resources and services such as management guidance, technical assistance, office space and flexible leases etc. In other words, all these activities contribute for creating a favorable environment and sustainable support for the start-up companies to grow and increase their competitiveness on the market (Morau & Rusei, 2012). Moreover, this definition puts forward the importance of innovation, as one of the prerequisites for the companies that receive nurture through business assistance programs and activities provided by the 'care-giver' - the business incubators.

According to Al-Mubarak & Busler (2013), adopting the concept of business incubator leads:

- 1) The support of diverse economies
- 2) The commercialization of new technologies
- 3) Job creation
- 4) Increases in wealth

Epure & Cuşu (2010) provide a classification of the business incubators, according to several criteria such as:

a) The financial source

- Public business incubators
- Private business incubators
- Mixed business incubators

b) The operational model

- Brick and mortar incubator - an incubator that provides facilities connected with physical infrastructure;
- Virtual incubators - an incubator that does not provide office facilities, but offers services with the support of the Internet;
- Mixed incubators - makes available office space for physical firms, as well as support and services for virtual start-ups.

c) The structure of services

- Traditional incubators
- Technological incubators
- Mixed Incubators
- Cultural Incubators
- Social Incubators
- Incubators for agricultural business

d) The location of the incubator

- Urban incubators
- Suburban incubators

Public business incubators can be financed by the government, universities or research centers. The main goal of establishing a public business incubator is to boost the economic development (increase employment and growth) with primary usage of public resources

(Grimaldi & Grandi, 2005). In order to achieve this, incubators tend to offer a set of services at reduced costs including infrastructure and facilities, various supporting services, as well as offering consulting expertise regarding different fields such as marketing, accounting, management etc. This type of incubators generates its profit from service fees, as well as the public funding from local, national and international schemes (Grimaldi & Grandi, 2005).

The *university incubators* grant resources of technologies and business management for small and medium companies and represent a viaduct between academies and industries (Wang & Li, 2011). Although the main goal of university incubators is to provide the firms with knowledge regarding different business areas, the new university-industry relationships can lead towards the rise of high-technology spin-off firms (Rogers, 1986), create technology transfers (Varga, 1999) and make significant contribution to the local or regional economies (Schutte, 1999).

The past two decades have brought an increased development of the information and communication technologies. The new "Internet era" has had a serious impact on many aspects in the business world, including the concept of business incubators. A significant number of market changes have occurred, which altered the concept of incubation and have led to the establishment of *private incubators*. Grimaldi and Grandi (2005) argue that these incubators are built around the concept of generating profit, by charging fees for the services they offer, as well as receiving a percentage of the incubated companies' revenues. Furthermore, they state a number of main services that characterize this type of incubators such as: provision of experienced operation staff, recruiting mechanisms, extended network of relations with key strategic actors, access to experts within different fields of expertise, provision of technology needed for accelerating product development etc.

Technology business incubators (TBIs) are considered as a device that supports technology based start-ups to survive and deal with the challenges that are imposed from the business environment. Somsuk, Laosirihongthong and Wonglimpiyarat (2012) state that this type of incubators is usually established in order to promote national economic growth. In addition to this, they claim that it is vital for the incubator management to gain understanding regarding the essential resources that will help the start-up companies to become viable businesses. Technology business incubators target companies that are introducing high or advanced technology products or services. Furthermore, these types of incubators offer a full range of

services that are specially tailored to intensify technology utilization for technology companies (Somsuk, Laosirihongthong & Wonglimpiyarat, 2012).

Regardless the category in which they belong to, business incubators offer an immense help and support to the new ventures. This support is consisted by several activities (Fiti, Hadzi Vasileva-Markovska & Bateman, 2007):

- Financial services
- Services connected with the process of choosing technology
- Transfer of "know-how"
- Accounting services
- Market analysis services
- Export consultancies
- Legal help
- Extended network of connections
- Further development of the business plan etc.

A clear definition and classification of the types of incubator, as well as the support they provide are of extreme importance of the conduction of this study. Our investigation is based in business incubators that differ in several aspects, including not providing the same activities for their tenants. Therefore, a look into these specific areas can generate with building a basis for analysis and comprehension regarding the support they offer to start-ups that try to build their brand.

2.3.1 THE EVOLUTION OF BUSINESS INCUBATORS

Business incubators, as a new type of institutions, that became widespread in the highly-developed countries in the beginning of the 1980's, after the two world recessions, that resulted from the oil shocks in 1973/1974 and 1978/1980 (Fiti, Hadzi Vasileva-Markovska & Bateman, 2007). At first, the institutions' main task was to provide new companies with office space at lower cost. However, recognizing the lack of expertise as an immense barrier for start-ups success, a new generation of incubators emerged (Bruneel et al., 2012). During the 1990's, a

number of supporting services that will support the learning process became evident (Lalkaka & Bishop, 1996). Assistance services such as consulting and trainings were offered, with the ultimate goal of providing the incumbents with the greater knowledge regarding the business area. The development of the new technologies has introduced the third generation of business incubators. After the year 1998, the concept of business incubators has become popular for establishing new companies within the ICT sector and moreover, has led towards creating new type of incubators - virtual incubators (Fiti, Hadzi Vasileva-Markovska & Bateman, 2007).

2.3.2 INCUBATORS IN THE 90'S AND TODAY

Since the 1990s, the concept of business incubators has gained an increasing importance as a mechanism for enhancing economic and technological development of various countries by promoting the ascendancy of high-potential entrepreneurial ideas and encouraging the growth of newly established firms (Grimaldi & Grandi, 2005).

In 2002, the European Commission has provided an estimation of the number of business incubators in the world (see figure 5).

As seen from the chart, North America is the world's leader in establishing business incubators. The reports states that the number has increased significantly over the past decades, from less than 100 in 1980, to around 1,000 business incubators in 2002. According to Callegati, Grandi and Napier (2005), the reason for this lies in the strong tradition of incubators in the U.S., primarily because the whole concept originates from the same country.

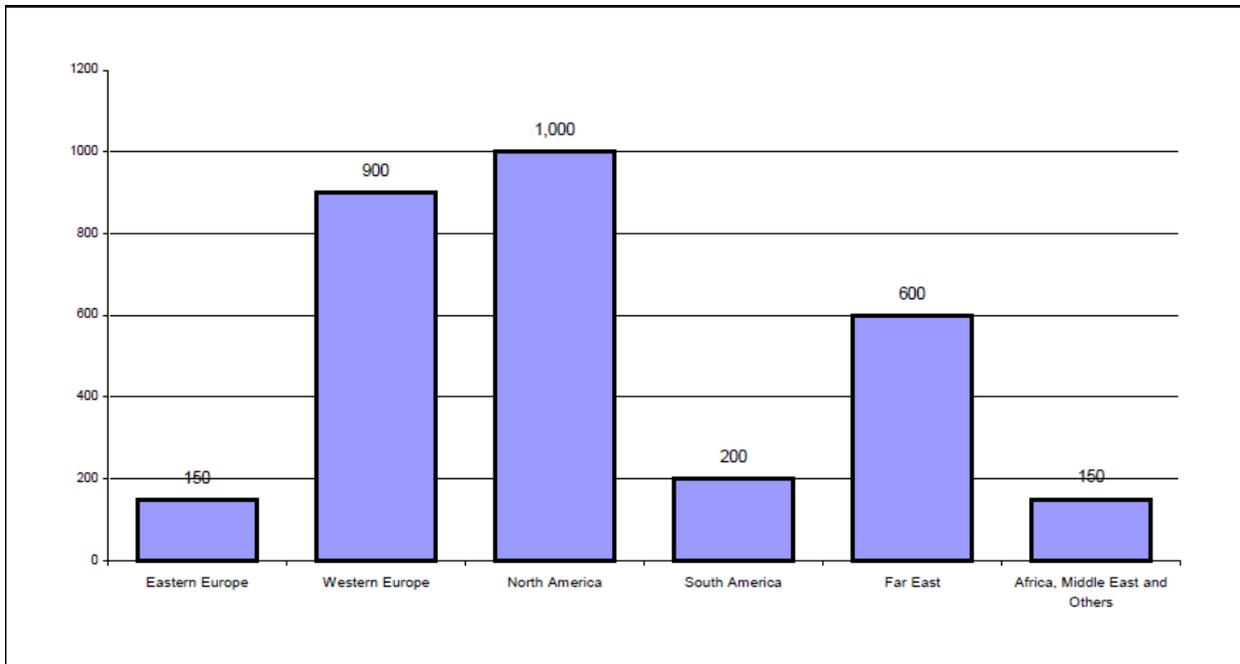


Figure 5. Number of business incubators worldwide (European Commission, 2002)

Western Europe is the second largest region in the world for founding business incubators. In 2002, there were around 900 incubators, with the Scandinavian countries, France and the UK as the biggest supporters of this concept.

A number of initiatives have been raised for developing incubation programs in the Far East. From its beginnings in 1987, the Chinese incubation program has become one the largest of its type in the developing world (European Commission, 2002). Throughout the 1990's, these programs became widespread all across the Far East countries, having large impact in Japan and Korea, as well as Thailand, Malaysia and Indonesia.

The results from this research showed that the development of this concept in Eastern Europe dates from 1990s, with Poland as the first country that established a business incubator, with the technical assistance from United Nations Development Programme (UNDP). In the years that followed, this phenomenon became widespread all over this region, by offering various resources and networking as main activities (Callegati, Grandi & Napier, 2005).

According to this research, there were around 3,000 incubators worldwide in 2002. However, recognizing that business incubator concept has become an important globally commercialized,

this number is constantly increasing. Therefore, the American National Business Incubation Association (2013), states that according to the latest estimations from October 2012, there are about 7,000 business incubators worldwide, from which over 1,250 incubators are located in the United States.

The last two sections clearly indicate how important the concept of business incubator has become over the years. Furthermore, historical development of business incubators across the globe and the number of established incubators are significant for understanding the popularity of this concept, and more specifically, to acknowledge the fact that Scandinavian countries are one of the biggest supporters of business incubators.

3. RESEARCH METHODOLOGY

In this chapter, a description of the research strategy, the type of research, research philosophy and the research method will be provided. Firstly, the philosophical aspect of the research study will be addressed. This part is important, in order to present our view of the world which has an impact on the perceived relative importance of the aspects of reality. In addition to this, the aim of this chapter is to understand what can be considered as acceptable knowledge in one discipline, whether is possible the social world to be studied according to same principles as the natural sciences, or not (Bryman & Bell, 2011). Furthermore, an important aspect that needs to be comprehended whether social entities are understood as social entities with an external reality to social actors, or viewed through the actions and perceptions of social actors. Secondly, the decision regarding the research strategy and the nature of the study are going to be explained, which is of importance for the research in its entirety and the ways that is going to be conveyed. Lastly, the research method that is used to gather valuable information regarding the research topic will be elaborated upon, in order to answer the previously defined research questions.

3.1 RESEARCH PHILOSOPHY

Thomas (2010) describes epistemological and ontological aspects as person's view of the world that has a massive impact on the perceived relative importance of the reality. These distinctive ways of looking at the world have repercussions in the academic world, but no superiority is demonstrated by each of these views towards the other. Furthermore, he claims that both of these views can be considered as appropriate for some occasions and complicated for other purposes, depending on the situation, as well as the person's attitude and view towards these aspects.

Interpretivism, which is also known in the literature as anti-positivism, is an approach in the social science that represents an opposite epistemology to positivism. Interpretivists are people that believe that many different ways and methods can lead towards creating knowledge (Willis, 1995). Furthermore, Walsham (1993) claims that the interpretive paradigm does not provide us with 'correct' or 'incorrect' theories, but those theories should be viewed from a perspective that shows how 'interesting' they are to the person who conducts the research and those who are involved in the same areas. Reeves and Hedberg (2003) stress the importance of putting the process of analysis in context. The world should be created by understanding different subjective perspectives and experiences that are product from a person's beliefs, attitudes and opinions regarding certain topics. With this, the interpretive research focuses on the overall complexity of the human sense making process that comes out from different types of situations (Kaplan & Maxwell, 1994).

Similarly like Grint (2000 cited in Bryman & Bell, 2011) who claims that the concept of leadership can be understood only through generating a deeper knowledge and understanding about the meaning of the concept for those are part of this social action form, we believe that, in order to generate a profound knowledge regarding the creation of brand identity in start-up firms, as part from business incubators, we have to approach each subject that is involved in this process. In the case of this research, we identify two types of subject that are important and need to be addressed: start-up firms that are part of business incubators and their nurturing organization - the incubator. By conducting interviews primarily with entrepreneurs and managers of incubators, we are trying to gain access to their 'common-sense thinking',

understand their thoughts, behavior, opinions, beliefs and actions in the social world, something that is characteristic for phenomenology, as a type of philosophy that is commonly seen as anti-positivist position (Bryman and Bell, 2011). Furthermore, phenomenology provides help for researchers to explore and understand the everyday experiences of people, without pre-supposing knowledge regarding those happenings (Converse, 2000). The process of brand identity creation, that sets its roots deep inside the company, is being developed constantly within the firm and generating understanding regarding this process, can result with creating a clearer image and knowledge about these phenomena.

According to Bryman and Bell (2011) the focal point of social ontology is the question concerning the social entities, whether to be referred to as objective beings with external reality to social actors, or whether they should be regarded as social constructions that are created from actions and perceptions of social actors. Therefore, they divide these positions as objectivism and constructionism, respectively.

The broad literature of constructionism has provided different names for this ontological approach. Pernecky (2012) states two similar terms for this concept and names several authors as supporters of those terms: social constructionism (Berger and Luckmann, 1966; , Burr, 2003, Gergen, 2001 and Gergen, 2009) and constructivism (Denzin & Lincoln, 2000b; Kukla, 2000; Lincoln, 1990; and Schwandt, 1994).

In order to conduct this research, the constructionism ontological approach is taken, namely because the brands are created in a dynamic environment that is constantly changing, as part of the company's culture. Like Becker (1982 cited in Bryman & Bell, 2011), who suggests that the process of creating culture is continuously being created from the choices people make and develop the understanding regarding certain issues, brands reflect the company's culture and they can not only be produced by social interaction between the members of the company, but they can also be modified continually, which makes them in a constant state of revision (Bryman & Bell, 2011). Furthermore, the business incubators can have a potential impact in the process of creating brand identity for start-up firms, and it is a challenge for us to discover how these institutions influence transformations or modifications of those companies as a social construction process of social reality.

3.2 RESEARCH STRATEGY - QUALITATIVE EXPLORATORY RESEARCH

Qualitative research is considered as a method of inquiry that is used by a number of academic disciplines, primary in social sciences, as well as in market research and other contexts (Denzin & Lincoln, 2005). This type of research is based on creating an understanding on different methodological traditions that investigate a social or human problem (Creswell, 1994). In the center of the qualitative research are the social aspects of the world and by development of explanations for these aspects represents an imperative for conducting a qualitative research. Explanations are usually built through creating a holistic pictures, analyzing words, reporting detailed views of informants and conducting a study in natural setting (Creswell, 1994). Therefore, the nature of reality is personal, subjective and socially constructed.

Qualitative research is a term that is connected with describing a number of different approaches to investigating the human perceptions, experience, motivations and behavior (Parahoo, 2006). Furthermore, Porter (2000a; 2000b) argues that this approach is concerned with collection and analysis of words, most commonly speech or writing. Data is obtained through several methods such as in-depth interviews, ethnography and focus groups (Patton, 2002). Hence, qualitative data is consisted from quotations, observations and excerpts of documents.

Regardless the utilized methods for conducting a qualitative research, the aim of this research strategy is to create a perspective of a situation and research report that reflects the ability of the researcher to present and portray a corresponding phenomenon (Myers, 2000). By doing this, we can discover and present in what way does this particular phenomenon operates.

When seen from objectives point of view, exploratory research aims to provide knowledge of an area where little is known. As stated by Zikmund, (2003, p.120), the exploratory research "helps ensure that a more rigorous, conclusive future study will not begin with an inadequate understanding of the nature of the marketing problem." Kotler and Armstrong (2006) suggest that the objective of exploratory research is to encapsulate groundwork information that is required for defining problems and suggesting hypotheses. Furthermore, this form can be based on secondary research, or by using the qualitative approach by implementing several methods such as in-depth interviews, focus groups, case studies, projective methods etc.

In order to provide answers on our previously specified research questions, we are going to use an applied research. With this, we strive to solve the previously defined practical questions, with ultimate goal to create a better understanding of our key research topics. Therefore, this study will be considered as an exploratory study, which is usually used for exploring areas where there is not a large amount of developed knowledge. To be more specific, we tend to generate a profound knowledge regarding the brand identity creation in start-up companies, as well as the influence from business incubators in this process. This research area has been neglected in the past and therefore, we try to exploit this opportunity and provide our contribution to the literature and practice within this field.

During the process of exploration, a particularly important research that is going to be addressed is one study conducted by Bresciani and Eppler (2010). Within this study, the authors address how start-up companies create their brand identity in Switzerland. This research contains valuable information that contributes for building better knowledge about this topic and provides a model for grading the branding practices that are utilized by Swiss start-ups when creating their brand identity. This model consists of investigating three critical areas: perception of brand relevance, brand creation and brand building. In the first part, they try to see the perception of the companies regarding the importance of branding for their companies, their vision, mission and positioning. In the second part, they are searching for insights on the company name and logo decisions, brand portfolio, as well as whether the companies have documented idea from the start. The last part of Bresciani and Eppler's research is the brand building, which encapsulates common branding practices such as advertising, online marketing, PR, structured recruitment process etc. The insights they get from their research represent a valuable asset and inspiration for us for establishing the foundation of our exploratory research. By making some adaptations on their model, we tend to further contribute to the knowledge about this field of study and we try to further expand the brand identity creation in start-ups by looking at another concept, the business incubators and the impact they have on this process.

3.3 RESEARCH METHOD

The data that is collected through qualitative method techniques is subjective and non-quantifiable (Shao, 1999). There are various suitable research method techniques, when conducting a qualitative research: focus groups, in-depth interviews, projective techniques, case studies etc.

Interviews are defined as discussions that are usually hold one-on-one, with an interviewer and an individual - respondent, with the ultimate goal of collecting information regarding previously defined set of topics.

For the purpose of this study, we are going to use semi-structured interviews as a method that going to be utilized for collecting information. Semi-structured interviews are consisted of questions on quite specific topics that need to be covered. These questions are usually written in an interview guide - "a brief list of memory prompts of areas" that needs to be covered when conducting a research (Bryman & Bell, 2011; p. 437). In our case, two types of interview guides were developed: one for the start-up companies and one for the business incubators. Both of the interview guides encapsulated several areas of importance and were consisted of similar types of pre-defined questions that were adjusted according to the type of respondents (companies or business incubators). Beside some general questions about the profile of the companies/incubators, areas such as brand relevance, brand creation, brand building and the role of incubator during these processes are going to be covered. We believe that these areas are of great significance for conceptualizing the meaning and importance of brand identity for recently established companies and the role of business incubators as a support in this process.

Since we are conducting a qualitative research, our main interest is to see and understand the subjective opinions, beliefs, attitudes and points of view of the people that are responsible for creating and building brand identity within companies, as well as the managers of business incubators who bring decisions regarding the decisions when, where and how to allocate the resources and how to provide support to start-ups that are in the process of brand creation. Therefore, we express our strong beliefs that in-depth semi-structured interview is the best-suited method for generating knowledge about these issues. In line with the flexibility it provides by

providing opportunities for adjusting the emphasis in the research, semi-structured interviewing helps us to explore, probe and ask more detailed questions of the investigated areas.

In the next chapter, we are going to explain the number of conducted interviews and the reasons for choosing that amount of interviews for providing answers to our key investigated areas.

4. DATA COLLECTION AND SAMPLING

In this chapter, an explanation regarding the data collection process and sampling is going to be provided. At first, we elaborate on the type of sample that is selected for this study, as well as the reasons for choosing it. Secondly, we clarify the reasons for selecting a specific industry in which our sample operates. Before we get to the motives for selecting specific companies and incubators that are going to represent our sample, we shed light on the reasons for bringing decision on the choice of these countries. Furthermore, we give details regarding the number of our sample and our rationale that stands behind that choice. In the end, each of the companies, as well as the incubators from Sweden and Macedonia is going to be described, in terms of its positioning on the market, the target audience, size, year of establishment and types of products and services it offers.

4.1 TYPE AND CHARACTERISTICS OF THE SAMPLE

For the purpose of this research, a *purposive* (type of non-probability) sample has been selected. Purposive sample is used when researcher aims for specific types of respondents that are selected because of their characteristics and knowledge in certain areas that required for obtaining valuable pieces of information within the research topic. This sample is justified by the characteristics of the interviewees - the entrepreneurs and persons responsible for marketing, more specifically on their substantial amount of knowledge about their companies, in terms of decisions over brand creation, branding activities and support they get from business incubators. In addition to this, another type of interviewees are equally important - the managers of incubators, in order to encapsulate their vision, role in this process and hear their opinion on the importance of branding for start-ups, as well as the support they provide for these young companies. The ultimate goal of choosing both subjects as respondents is to see their individual

perception and reflection on the decisions they make regarding these issues. The start-up companies needed for this research are going to be based in a single business incubator in both countries and will operate in the same industry, mainly because the industry can have a significant impact on the identity of those companies that are operating in it (Podnar, 2004).

With regards to the industry that has been selected, we decide to further investigate the area in which ICT firms create brand identity. The motivation for doing this comes from the enormous expansion and development that have happened in the ICT sector over the years. This increased progress within the ICT field has had a significant impact on many fields of this industry and has brought alteration in the scope of entrepreneurship, as well as previously mentioned evolution of business incubators and the emergence of the third generation - technology based incubators. The rapid growth of information and communication technology, accompanied by the intensive usage of the Internet all over the world have introduced a vast of opportunities in many aspects for entrepreneurs and therefore, their interest in creating and innovating products and services within this field has been drastically boosted. Furthermore, this transition has also affected the marketing field, and resulted with setting up a new discipline - the Internet marketing. The increasing usage of the Internet and other types of digital media as a support to the existing marketing tools that have emerged, have affected the way on which companies communicate with their customer. Moreover, these technologies have also put a mark in the branding perspective and the way in which companies build their identity through a set of practices specially designed for creating and building a strong brand in the online world.

The companies and incubators that were chosen for this study are located in Sweden and Macedonia. The reason for this decision lies in a number of dissimilarities between these countries in terms of size, population, GDP etc. This choice is going to be elaborated thoroughly in the next section of this chapter.

As mentioned above, all of the companies are part of the ICT industry. During the process of selection, our aim is to choose start-ups act in the same industry, but are actually different in terms of the type of their clients (businesses or individual consumers), their presence (virtual or physical) and the products/services they offer. Hence, by bringing diversity to the sample, we strive towards obtaining valuable information about creating brand identity in different settings,

but with the support of one single entity - the business incubator. Since we are looking for start-ups that are acting in the ICT sector, it was an imperative for us to find business incubators that gather these types of companies under the same roof in Sweden and Macedonia. Although the selected business incubators have little in common, in terms of size, presence in the business world and financial assets, it is in our interest to see what kind of support they provide to start-ups that are trying to position on the market and build their brand identity in two different environments.

When it comes to number of companies that are part of our sample, we settle on conducting eight in-depth semi-structured interviews. We examine six start-ups that are part of two business incubators in Sweden and Macedonia, with three companies from each of these countries, respectively. Furthermore, as stated earlier, in order to plunge deeper in this field, we reckon that looking into the incubators' perspective is equally important and for that reason, we conduct two more in-depth semi-structured with the managers from both incubators. In correlation with the type of our sample and what Backer and Edwards (2012) claim that a small number of subjects may prove to be extremely valuable for a research project we believe that this number is quite decent for generating knowledge regarding our areas of exploration. Moreover, since we are representing the interpretive epistemological perspective and we are aware of the risk of not satisfying the generalizability criteria, which is a thorny, difficult and illusory issue that has been present even in the high-quality studies (Kerlinger & Lee, 2000; Shadish et al., 2002), we claim that our sample is sufficient, in order to answer our research questions and meet the previously defined objectives.

4.2 THE CHOICE OF SWEDEN AND MACEDONIA

As said earlier, the business incubators and start-up companies that are part of this research are situated in the countries of Sweden and Macedonia. These countries need to be addressed in more detail in order to fully explain the relative position of these countries, particularly concerning: economic situation, entrepreneurship and business incubators.

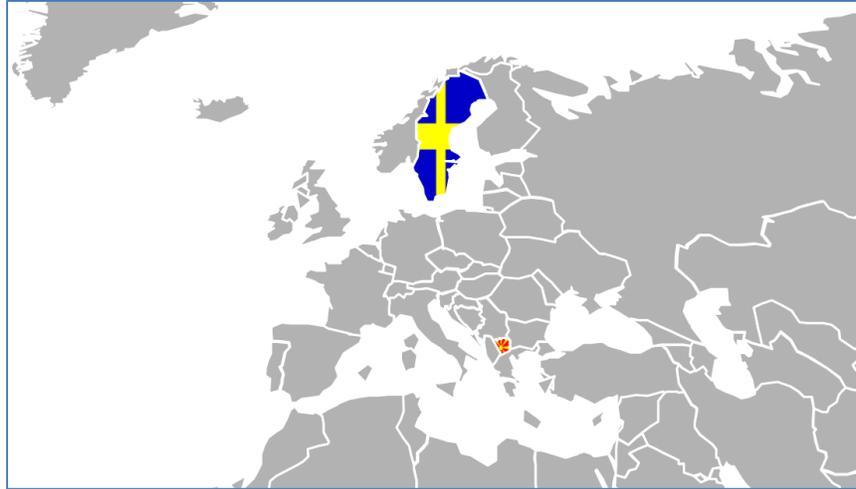


Figure 6. Geographical positioning Sweden  and Macedonia 

When addressing the economic situation these countries find themselves in, the geographical vicinity can be rather misleading. Robust indicators for wealth such as gross domestic product based on purchasing power parity per capita and unemployment rate are shown below to illustrate the striking differences.

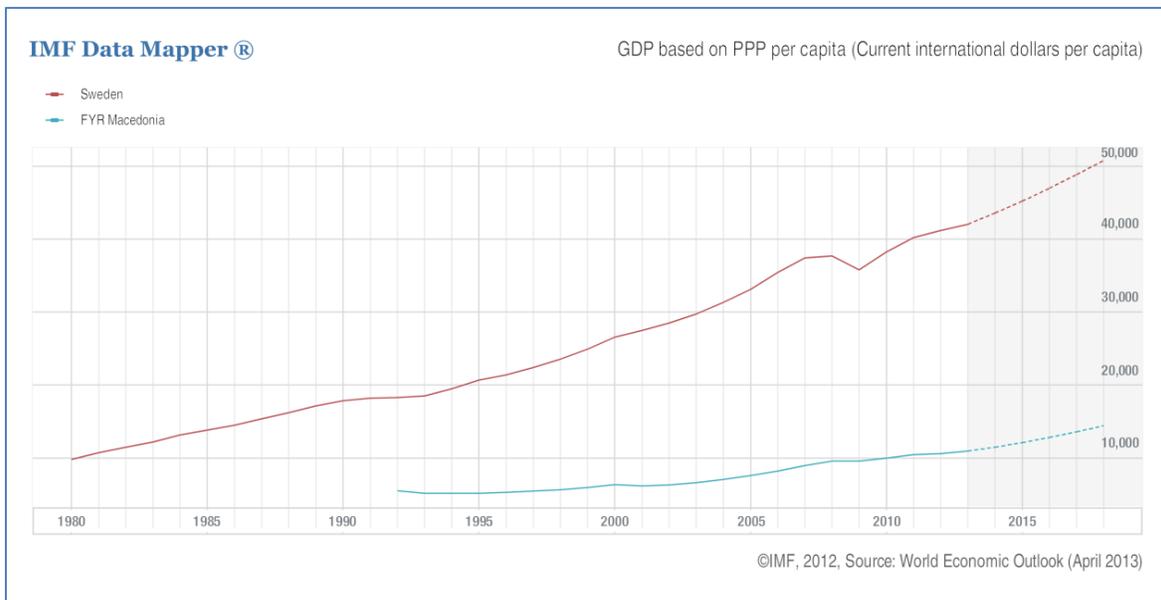


Figure 7. GDP based on PPP per capita (current international dollar per capita) Sweden and Macedonia

As figure 7 shows, the purchasing power of Macedonian citizens is significantly smaller than that of their Swedish counterparts. In fact, the Swede has a gross domestic product per capita which is more than four times as large as the Macedonian, even when corrected for purchasing power parity.

The unemployment rate in Macedonia is also significantly higher than that of Sweden, where Macedonia scores around the 25 percent mark, which is shown in figure three.

Lastly, figure 9 shows the differences in growth experience between the countries grouped as ‘advanced economies’ and ‘emerging economies’, where Sweden is ranked highest and Macedonia lowest, both in their respective groups.

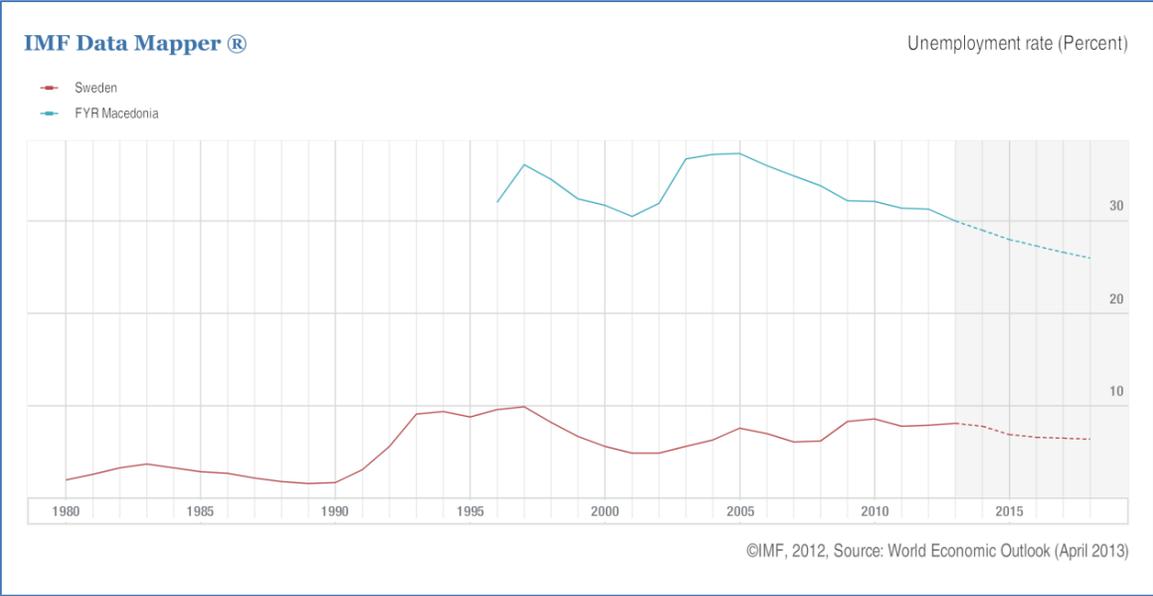


Figure 8. Unemployment rate (Percent) Sweden and Macedonia

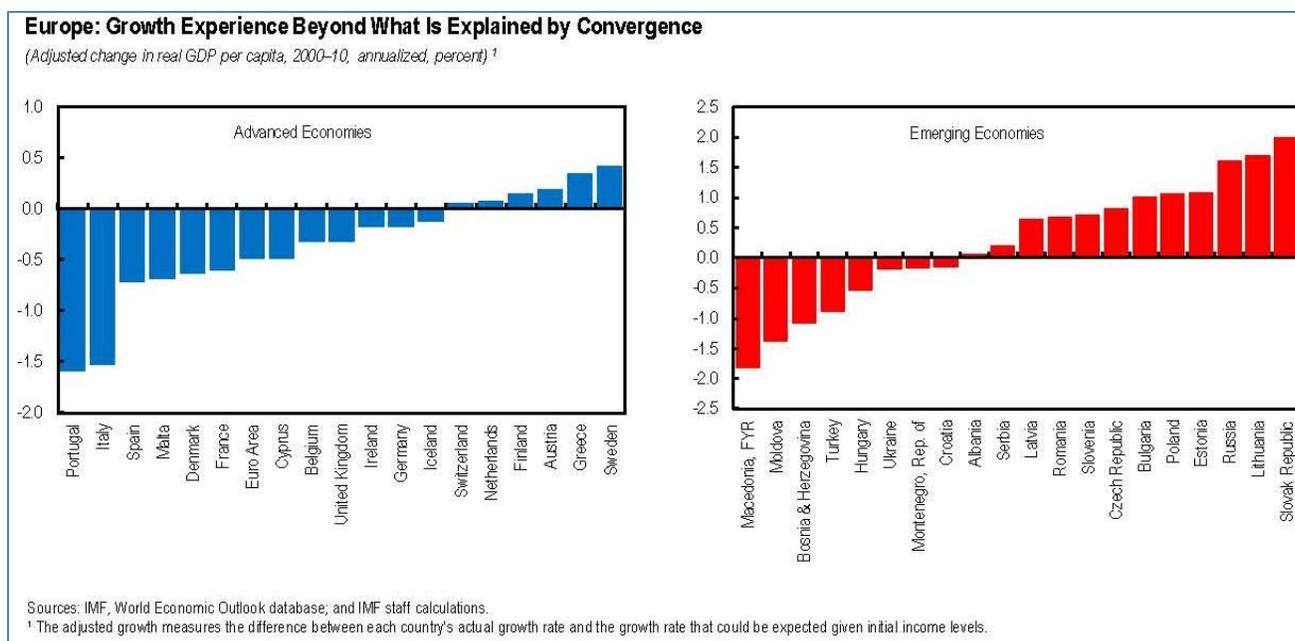


Figure 9. Growth experience beyond what is explained by convergence (IMF Blog, 2011)

The lower level of GDP and higher level of unemployment make the economic situation of Macedonia look rather bleak in comparison to Sweden. However, this obvious need for economic stimulus can be viewed as an opportunity for the promotion of entrepreneurship in the country.

In the next section, both of the countries are going to be addressed in more detail concerning entrepreneurial development.

SWEDEN

Sweden is situated in the Nordic region or Scandinavia in the North of Europe. It is generally perceived as a very prosperous country, which is renowned for innovation in technology and business. Nonetheless, the barriers to entry in Sweden are comparatively high which is partly due to high government control over certain sectors. Deregulation and a reduction of government interference which are proposed will, as stated in an international monetary fund (IMF) staff report by the IMF Executive Director for Sweden, “make an important contribution to raising efficiency and promoting labor mobility” (2007, cited in IMF Country Report 07/52; p. 17). The IMF Executive Board stresses the importance of change when striving for a resilient and

innovative economy, particularly in the field of encouraging entrepreneurship where these reforms will be a valuable contribution (IMF Executive Board, 2006). Furthermore, concerning the current comfortable economic position in which Sweden finds itself, it is important to note that ‘greater dynamism’ will be needed in preparing for the future (IMF, 2006).

The importance of a strong policy in promoting entrepreneurship is important, since a ‘laissez-faire’ attitude can lead to diminishing investments in entrepreneurial ventures (Alfaro & Charlton, 2006). Business incubators are part of the current measures to promote entrepreneurial activity in Sweden and can be expanded in order to strengthen the current program.

MACEDONIA

The differences between Sweden and Macedonia are vast as illustrated, which practically means that Macedonia is not only concerned with growing wealth, but rather reducing poverty. This means that the motivations for changing government policy are quite different from that of Sweden. Increasing self-employment and entrepreneurship are the chosen vehicles to reach these goals, using business incubators to aid in reducing poverty in the country (Poverty Reduction Strategy Paper, 2000).

Increasing the possibilities for entrepreneurial activities by improving the credibility of the Macedonian government and its institutions and activities is considered vital to the economic progress of the country. According to Hon. Gosev (2003 cited in Joint Annual Discussion, 09/23/2003; p. 2), “the government should provide room for the private sector and favorable investment environment for development of entrepreneurship”.

This process is strongly driven by the establishment of what is called the ‘Agency for entrepreneurship’. The creation of new entrepreneurial ventures is supported, with a focus on high-tech start-ups that have expansion potential. Simplifying the process of new business registration is one of the steps in encouraging entrepreneurship in Macedonia, which is particularly important since corruption and bureaucracy hinder the process in general (Gosev, 2003, pg. 3).

4.3 PROFILE OF THE SELECTED COMPANIES

CODEWELL - MACEDONIA

CodeWell is a company that is founded in Skopje, 2011. This company works on development of mobile and tablet software solutions. It offers a variety of products such as applications for mobile gaming, tools and utilities. The company produces mobile application software for various mobile operating systems such as: iOS, Android, Windows Mobile and Blackberry. The main orientation of the company is B2B. Profit companies, as well as public institutions from Macedonia are CodeWell's main customers. However, the firm also creates software for individual consumers, with the ultimate goal of creating awareness about the company among the audience. The product portfolio of the enterprise consists of more than 40 applications for both, B2B and B2C clients.

CODE IT SOLUTION - MACEDONIA

Code IT Solution is a start-up that is specialized in software development. This company provides several data informatics and specific services for system implementations. The company offers several services such as: custom software development, outsourcing, mobile application development, web applications development and research and IT consulting. Currently, the firm has three products in their portfolio, which can be altered according to the needs of the customers. Although Code IT Solution is present on the market for less than year, it also provides software on-demand for various types of business clients worldwide.

Company name	<i>CodeWell</i>	<i>Code IT Solution</i>	<i>Cyber Security</i>	<i>Acconeer</i>	<i>GeoSignage</i>	<i>Survey legend</i>
Type of company	Physical	Physical	Virtual	Physical	Physical	Virtual
Business incubator	YES Incubator, Skopje	YES Incubator, Skopje	YES Incubator, Skopje	Ideon Innovation, Lund	Ideon Innovation, Lund	Ideon Innovation, Lund
Website	www.codewell.mk	www.codeit.mk	www.cybersecurity.mk	www.acconeer.com	www.geosignage.se	www.surveylegend.com
Location	Skopje, Macedonia	Skopje, Macedonia	Kumanovo, Macedonia	Lund, Sweden	Lund, Sweden	Lund, Sweden
Number of employees	10	3	1+2 external	2	7 (5 full time equivalent)	6
Industry/Sector	Mobile software industry	IT software development	Information and cyber security	IT hardware	ICT in public transport	Software industry, cloud-based solutions
Year of establishment	2011	2012	2012	2011	2010	2010
Target market	International and domestic	International and domestic	International (primary)	International and domestic	International and domestic	International and domestic
B2B or B2C	Both	Both	B2B	B2B	B2B	Both
Turnover in Euros per year	/	40 000	/	32685	/	/

Table 1. General characteristics of companies in Macedonia and Sweden

CYBER SECURITY - MACEDONIA

Cyber Security is a virtual tenant in the Yes Incubator, Macedonia, and a start-up that was founded in 2012. This start-up is specialized in the field of information and cyber security as part of national security, cyber-attacks, cyber conflicts, international security, cyber terrorism, critical infrastructure security, information warfare, risk assessment, identity/risk management, awareness of cyber security, strategy framework and socio-technical aspects (Cybersecurity, 2013). Cyber Security offers several services such as training, consulting, auditing, forensics and data recovery and dynamic web solutions. Currently, this company takes part in two projects: Interactive Cyber Security Awareness Program - educational program that supports information security awareness and Security Guru - an android application that delivers mobile device security solution to various types of clients. When it comes to the target market, the company offers its services on both, international and domestic market.

ACCONEER - SWEDEN

Acconeer is a company that is part of Ideon Innovation business incubator. Since its beginnings in 2011, the core business of this start-up is providing hardware for emission and detection of short electromagnetic bursts, also known as wavelets (Acconeer, 2013). In addition to this, the company provides radar sensors that are specifically designed for portable devices within a market for "non-destructive testing, security screening and process management". Currently, the company has two people that work on its domestic and international development in Ideon Agora building, situated in Lund, Sweden. The turnover in 2012 was based on consultancy projects which the Acconeer's team is engaged in. It is therefore important to note that this will not give any indication of the potential revenue-stream until the actual technology becomes implemented.

GEOSIGNAGE - SWEDEN

GeoSignage is a physical company that works within the ICT field. This new venture creates content management systems. The main target group of this company is limited to transport companies and media companies that operate in the public transport industry, both domestically and internationally. This company was established in 2010, as part of Ideon Innovation. The team of this star-up consists of seven people, who work on the product's development, with the ultimate goal of delivering a product that will improve the communication process between transport and media companies with their customers.

SURVEYLEGEND - SWEDEN

Survey Legend is the creator of a new online survey solution, which has created (and is constantly improving) a survey Web app that adds a component of entertainment to the user. The company has developed a survey solution which is based on visual comparison rather than the more traditional multiple-choice, text based questions that are used in online surveys. It operates in what is called software as a service (SAAS), in a cloud based online format. The company is considered to be virtual since the format is completely online. This enterprise currently has six team-members who all own a part of the equity pool. As all of the previously mentioned companies that are part of Ideon Innovation incubator in Lund, this company is present on domestic and international market.

4.4 PROFILE OF THE SELECTED BUSINESS INCUBATORS

YOUTH ENTREPRENEURIAL SERVICE (YES) - MACEDONIA

Youth Entrepreneurial Service (YES) Foundation is a business incubator located in Skopje, Macedonia that supports the development of micro, small and medium companies and both physical and virtual which operate in the ICT industry. This organization targets companies that

are "close-to-the-market" that offer some kind of a product or service. Therefore, start-ups from other industries are accepted in the incubator occasionally, with a goal to stimulate the growth of the entrepreneurial spirit. The main task of the foundation is to guide start-up firms through the process of business incubation, by offering a variety of services to them, with the ultimate goal to accelerate their growth and development. In order to succeed in this, the organization has five full-time employees and one intern, all of them putting efforts in helping the companies in many different ways such as intermediation for funding, connecting them with potential clients or investors and arranging events for networking. In addition to this, there are some other benefits for the tenants of this incubator:

- office space at favorable prices,
- a computer lab, meeting room, a room for trainings and presentations,
- advice and tips for daily operations,
- trainings to strengthen the capacities for managing the business,
- mentoring by domestic and foreign experts, entrepreneurs and consultants,
- promotion (Yesincubator, 2013).

Since its establishment in 2006, YES Incubator has offered its services and assistance to more than 70 companies. Currently, there are 18 start-up companies that are using the incubator's services and benefits, from which 11 are brick- and-mortar firms and seven virtual companies.

IDEON INNOVATION - SWEDEN

Ideon Innovation is a Swedish incubator that develops entrepreneurs, ideas and businesses through well-selected value-adding activities and supporting resources. With experienced coaches and broad collaboration with stakeholders in the innovation system, Ideon Innovation ensures the best possible support. The aim is to create value in the incubated companies in order to increase growth at a faster pace than would be possible outside the incubator (Ideoninnovation, n.d.).

The business coaches that are part of this incubator have extensive experience in both small and large companies. They can provide both strategic support and hands-on operational advice.

Sales, grants, soft loans, bank loans, business angels, venture capital, customer financing and so on, are many ways to finance the early years. Ideon Innovation has got and extended network of connections and experience to reach the right partners, and the expertise to advise which form is most suitable for each start-up (Ideoninnovation, n.d.). Furthermore, the incubator claims that the diverse backgrounds of its employees in various industries, such as patents and trademarks, are resources available to the entrepreneurs in the incubator that will aid them in their business development. It is clearly communicated that the focus within the incubator is placed on the sales process of the start-ups in the coaching process. The location of this incubator is Ideon Science Park in Lund, an area where 300 companies are located in a small geographic area, creating the possibility of spillover and networking opportunities. Ideon Innovation's main premises are located in the Ideon Agora, a vibrant workplace for hundreds of entrepreneurs, business owners and coaches and others working in the innovation system (Ideoninnovation, n.d.).

5. RESULTS FROM EMPIRICAL INVESTIGATION

The purpose of this chapter is to present the results that are obtained from the semi-structured interviews conducted in Macedonia and Sweden. It is important to note that the companies and incubators are grouped based on the country where they are situated. At first, the received results from the empirical investigation in Macedonia are going to be utilized. After that, the findings that are obtained from the exploration of Sweden are going to be provided.

The reason for displaying the results from both countries separately and subsequently is found in our intention to generate profound knowledge regarding the brand identity creation of start-up companies that are working under different circumstances in different business incubators, within countries that have a number of dissimilarities in many areas of relevance to this study. These dissimilarities between the incubators and start-ups in the two countries make that a presentation and analysis of the empirical results is most clearly and logically structured when addressing the countries separately. The empirical data that we are going to provide in this chapter represents a groundwork on which the analysis of the researched area is going to be based. This section describes the results from number of branding activities that are utilized for creating and building brands, the perceived relevance of branding for start-ups, as well as the

ways in which business incubators provide support for this type of companies. Hence, the data that is presented comes from two sources: the start-ups and the business incubators.

5.1 COMPANIES AND INCUBATOR FROM MACEDONIA

The first part of the empirical investigation was connected with the *brand relevance* of Macedonian entrepreneurs, which provided a broad spectrum of opinions regarding this topic. Ms Viktorija Drangovska, the owner of Code IT Solution recognizes the branding concept as "a part of the strategic development of one company". As said in her words "...If we strive to develop a company that will be recognized and put an emphasis on what makes us different from the others, we will have to think about the type of brand we create...", she stresses the importance of branding by building a strong link with recognizability among the customers and differentiating from the rest of the crowd. Furthermore, she argues that "...If we define 'brand' as a way of thinking - perception, we should definitely transfer it by our brand identity or by implementing other tools of marketing very clearly". By stating this, she puts an emphasis on the brand identity and marketing activities as important tools for creating a clear perception among the customers.

A similar way of perceiving the importance of branding exists in CodeWell and Cyber Security. The marketing assistant from CodeWell, Ms Anja Slavkovic, claims that "...the process of branding is extremely important. Since the beginning, I am trying to develop the brand identity, create awareness through the social media, with ultimate goal to create a transparent company which will show the complete working atmosphere to the outside world". Furthermore, Mr. Predrag Tasevski, the founder of Cyber Security labels the branding concept as "one of the most important process" for his company.

Two of the companies, Code IT Solution and Cyber Security connect the branding process with creating logos and other tools that are known as common branding practices such as brochures (Cyber Security), business cards (both), memorandum (Code IT Solution) etc. These actions represent that brand identity is consciously created within the companies. In addition to this, Ms Slavkovic explains the efforts of her company to "...create awareness to certain extent, because

the marketing costs are quite high". Moreover, she argues that "people still refer to marketing as costs, not as an investment..."in order to provide an explanation of the efforts they make with the limited financial resources for marketing.

However, the manager of YES Incubator, Mr. Ljupco Despotovski presents his disbelief regarding the relevance of branding for start-up firms, by stating " ...I am a little bit skeptical whether 'brand' and 'start-up' can be put in the same sentence"... Furthermore, he explains this by saying that "...Brands are build in years, decades and start-ups are only present on the market for a year, two or maybe couple of months...".

When discussing on perceived relevance of branding, it is important to mention the mission, vision and positioning of the company. All three companies have a clear understanding of these concepts.

The last important aspect that is examined in this part was the positioning of the company. Although the companies have defined their mission and vision, they are still new to the market and are trying to make their way through the challenges that business environment imposes. Ms Slavkovic from CodeWell argues that they are still "... a young company, which exists on the market in the last two years..." but she recognizes the team of the company that works on development of mobile applications for several mobile platforms as their advantage and presents their "...devotion and passion for satisfying the customer needs". Mr. Tasevski (Cyber Security) tries to position the business on the Macedonian business market, by arranging trainings in collaboration with the Macedonian Ministry of Internal Affairs, "... in order to increase the awareness among people regarding the importance of cyber security...". Ms Drangovska (Code IT Solution) aims to position the brand in Europe and the USA, by providing "... top quality software for a lower price..." Hence, by doing this, the company aspires to build long-lasting relationships with their clients, something that is not possible to achieve in the moment, recognizing the time period of which the company has been present on the market.

When asked about the importance of aligning the mission and vision of a start-up with the positioning of the brand, Mr. Despotovski (YES Incubator) expressed his disbelief by stating that start-ups should be "...even more flexible and agile..." when compared with the large corporations that are constantly trying to adapt on the challenges of the environment.

Furthermore, he does not recommend for start-ups to invest a lot of time and efforts on vision and mission and he suggest that start-ups can put something on paper, but that can constantly be altered, recognizing the dynamic world we live in.

The second important part that is being investigated is the *brand creation*. For that purpose, questions concerning the documented idea from the start, company name, logo, branded products or services, were raised.

Since the beginning, each of the companies has had a clear brand identity in mind. In CodeWell, this direction that was determined by the founders of the company, with business cards, logos and memorandums as main tools that create the company's identity. Beside the decision regarding the name, logo, slogan and webpage, Ms Drangovska (Code IT Solution) puts an emphasis on the creation of business plan because "...is important aspect in the development of the business idea and the development of the company, mainly because it helps you to create a clearer image about your goals and where you want to position on the market, as well as for the business environment...". The importance of business plan, before establishment of a company is also identified by Mr. Tasevski (Cyber Security), who describes it like a "...road we are going to walk on".

On the other hand, Mr. Despotovski (YES Incubator) points out that the incubator does not advise the companies to have a clear brand identity when they start the company. Instead, they "...give them a chance to consult with various consultants from different areas ... but the advice they receive does not depend on us, but the consultants..."

When creating a brand, the first visible step that is made is the selection of the name, mainly because it plays a significant role in brand effectiveness. When asked about the choice of the name, all of the investigated companies came up with some interesting answers. Mr. Tasevski (Cyber Security) made a decision regarding the company name based on poll that was conducted among students at one university, who misunderstood and misinterpreted the question they were asked regarding their familiarity with the term 'cyber security'. Ms Drangovska (Code IT Solution) brought a decision over the name of the company based on a dream and an investigation that later followed regarding the availability of the name. Mr. Martin Ancevski, one of the founders of CodeWell says that the name of the company "... is actually wordplay: 'code'

and 'well' which means 'code in the right way'. Furthermore, he argues that the name of the company defines the area in which it operates - "... mobile software applications which are created by development of codes and programming".

The second important aspect when creating a visible brand is logo. All of the companies recognize the logo as significant part of the branding process of one company. As previously mentioned, when asked about the importance of branding process, Cyber Security and Code IT Solution have immediately built a link of branding with the creation of logo. In order to have an attractive and up-to-date logo, that is created in accordance with the latest trends worldwide, these two companies engaged external associates - graphic designers. This is not the case with CodeWell, who developed the company logo in-house.

From our investigation, we understood that none of the start-ups has patented the company's name. Although the company CodeWell is protected like/as legal subjects, the name of the company is not patented. Mr. Ancevski argues that they "... do not feel a need or a threat that someone will take the identity of the company away". However, Mr. Tasevski provides different answer to this question that is connected with the financial resources that are required for patenting a name, by stating that "...is quite expensive to do that". Furthermore, Mr. Despotovski states that the incubator has not done anything specific that could help the companies in logo protection, domain protection etc. although they have not done anything special that will help the companies with this question.

When it comes to the brand portfolio and brand extension, we have generally received similar results. None of the companies have acquired other brands or companies, but they aspire to create corporate brand and product brands. Nevertheless, Codewell is the only company that tries to create different brand extensions, but from its products. It is quite interesting the fact that, when naming the products, they tend to create a rhyme or build a connection between the name of the company and the product. For example, one of their products is called TraWell - an application that is concerned with travel, which has the second word from the company's name 'well'. Moreover, this product has several product brand extensions such as 'TraWell Skopje' and 'TraWell Ohrid', particularly developed for the two Macedonian cities - Skopje and Ohrid.

Besides the services the company offers such as training, consulting and auditing, Cyber Security is working on two projects: Interactive Cyber Security Awareness Program and Security Guru. However, the company does not have any extensions of the company's brand nor from their products. This situation is the same in Code IT Solution, where they recognize the significance of brand extensions and state "... that is a good strategy, especially when it comes to software that you sell once and if you are new on the market..."

The last part of the brand creation part was connected with the authenticity of the brand. All of the companies have agreed that their brand is authentic to a certain extent. Mr. Ancevski (CodeWell) claims that they "...have authentic and memorable company name which is easy to remember ... When it comes to the visual identity, we have clearly defined logo, tagline ... the colors of the logo, CRM and proved quality in our work". Correspondingly, Ms. Drangovska addresses the same reasons, although she affirms the fact that the company's name is not authentic.

The process of **brand building** is the third area that is going to be analyzed during this empirical investigation. Within this section, we put an emphasis on the branding activities that are implemented by the start-up companies, in order to learn about the ways in which they build their brand in business setting.

Advertising has been viewed as a traditional activity that supports the brand building process. Nevertheless, none of the firms utilizes actively this branding tool. CodeWell has used TV advertising as a way to promote one of their products from the brand portfolio. Both Cyber Security and Code IT Solution do not implement advertising in their brand building process, with Code IT Solution having strong intentions to start using this tool for the new product that is currently under construction.

The situation is quite similar, when it comes to public relations. With exception of CodeWell, which have already conducted several PR activities, the other two companies do not use this tool, despite the suggestions from the manager of the business incubator to "... go public, to take interviews as many as possible, PR, in order to present themselves to the public..."

Organizing and participating on events has become quite interesting way for building awareness of the brand in the community. CodeWell usually attends different events that are primary

organized by the incubator or gives presentations on other events and conferences about their products. However, not all of the companies are keener on participating than creating their own event. Cyber Security organizes different events with many business partners and public institutions like the Ministry of Internal Affairs, in order to increase the awareness between people about the cyber security and the area of information protection. At last, Code IT Solution has not been part of any events or created one, but with strong intentions to utilize this tool when introducing their new product.

Sponsoring is a branding activity that is usually connected with sports. However, CodeWell puts an emphasis on sponsoring different public institutions or agencies, by developing mobile applications for them. Cyber Security recognizes the opportunities they had for providing sponsorships but they still have not done so far, because they refer to themselves as "...still young company" for this type of activity.

The most important branding tool for our sample companies from Macedonia is undoubtedly the online marketing. All of the companies are engaged in promoting their companies through Facebook pages, which are updated with content to a different extent, depending on the company. Furthermore, they have active dynamic web sites that have Macedonian and English versions. These companies are also presented on the webpage of YES Incubator, in order to promote them as part of this organization.

Newsletters, radio jingles, videos and uniforms/branded clothes can have impact on developing brand awareness between consumers. Ms. Drangovska (Code IT Solution) explains that they still do not have implemented any of these branding tools, but they are really considering most of them for their new product launch. CodeWell has produced several videos for one of their products, but they do not use newsletters, radio jingles and uniforms/branded clothes. Newsletters are important part of Cyber Security, as well as videos on which the company is presented and presentation of specific topics. Furthermore, the team tends to wear branded clothes with the company's logo and name, when participating on events.

Structured process of recruiting, internal communication policies and brand communication are the last activities in the process of branding. CodeWell and Code IT Solution are trying to use specific rules and satisfy some criteria in the process of recruitment. Internal communication

policies are not established to a large extent, with informal communication through emails considered as most suitable for CodeWell. Brand communication among the personnel is not quite popular among the companies. The responsibility for brand decisions lies with the owners (Code IT Solution and CodeWell) and the marketing assistant (CodeWell).

The last part of the empirical investigation results is related to the *support that start-ups get from the business incubator*, when creating and building a brand. When asked about the ways in which the incubator puts an emphasis on creating and building a brand, the companies had similar answers. Ms. Drangovska (Code IT Solution) puts forward the consulting lectures that are organized by the incubator, as a way of gaining further understanding about branding and marketing strategies. In addition to this, Ms. Slavkovic (CodeWell) claims that they get an immense help from the incubator. Furthermore, she states that the incubator "...helps us in almost every aspect in the process of managing a business like finding clients ... trainings that cover various business topics..."

When it comes to the resources that are offered by the incubator and required for creating and building strong brand, there are several ways in which the incubator supports these processes. For CodeWell and Code IT Solution, this support is provided by providing office space at lower costs, consulting expertise and mentoring within several areas and extended network of connections. The incubator does not offer any financial resources that will help these companies throughout these processes.

Since it is a virtual company, Cyber Security does not use the offices that are offered by the incubator. However, the other two types of support are vital for the development of this company. Mr. Tasevski believes that his company has received the same treatment from the incubator, as the other incubated companies. Furthermore, he claims that is better to act virtually than to be physically present in the incubator, because in this way, it is possible to save more financial resources during the first year or two. Moreover, he argues that it is easier for a company to build a brand virtually, mainly because of the absence of additional costs for office spaces and states that "... saving around 300, 600 till 1000 Euros per month means a lot (for a start-up company)".

Mr. Despotovski (Yes Incubator) shares the same opinion regarding the ways in which virtual tenants are treated by the incubator. However, he claims that in practice, communication is more effective when you have someone that is close to you and you see him/her on a daily basis, "... although in theory, a company from another city should get the same treatment and have access to the same amount of information, receive newsletters etc."

Another important question that is raised is related to the ways in which the incubator promotes the companies. This can lead towards an increased awareness among the customers regarding a company's presence on the market, its area of action, as well as the product or service portfolio, with the end goal of attracting more customers.

In general, all of the companies were satisfied with the ways in which they are promoted by the incubator. YES Incubator promotes its companies mostly through its webpage (CodeWell) and other websites that are in close connection with the incubator (stated by: Code IT Solution). Although Mr. Tasevski finds the promotional activities and the general work of the incubator quite helpful, he states that "...the promotion should be enhanced ... this promotion can be more interactive and widespread..."

Mr. Despotovski claims that the incubator promotes the companies, but not each separately. He argues that the incubator is "... not a business service provider or a marketing agency that takes care of the companies' positioning on the market ... we do not put enormous efforts into it".

The last question that is addressed is connected with the companies' perception regarding the significance of being part of business incubator, when creating and building a brand. Mr. Ancevski (CodeWell) claims that it's important to his company, because it brings stability. Although CodeWell strives to work in a dynamic environment and take bigger risks, the resources and contacts that are provided by YES Incubator are very beneficial for them as a start-up company. Similarly, Ms. Drangovska (Code IT Solution) states that "... in order to become successful, start-ups should create a network of friends, acquaintances and contacts, especially if the business is B2B..." Furthermore, she views the incubator as an organization that has a broader network of clients and contacts and she recognizes how significant that can be, when trying to sell more of the products/services the company offers. Moreover, lower-cost office space and free consulting hours that the YES Incubator provides within different fields, can

represent a huge benefit for a start-up company as Code IT Solution. For Mr. Tasevski, the "first aid" that his business got from the incubator, as well as the support in other aspects such as the network of the connections have really helped him in the process of starting Cyber Security and have taught him personally how to be a young entrepreneur.

In addition to this, Mr. Despotovski (YES Incubator) states that start-ups have definitely greater chances for success, if they are part of business incubator. However, he admits that the lack of financial power limits the quantity and quality of services that are offered by the incubator and with that, they cannot contribute more on the process of brand identity creation of the incubated companies. Moreover, he states that the incubator has difficulties with survival, because of the lack of financial resources and locates the problem in the government and the small amount investments it provides for the everyday working of the incubator.

5.2 COMPANIES AND INCUBATOR FROM SWEDEN

The *perceived brand relevance* seems to be dependent on the type of business relationships the entrepreneurs aim to forge – business to business (B2B) or business to consumer (B2C) – as well as the stage in the development of the company the entrepreneurs find themselves.

The latter is illustrated by Acconeer, where the technology which they are developing is at least one more year from reaching the 'market ready' stage. Goals concerning branding are creating a professional image in order to acquire the funds needed to continue development. Concerning the relevance of branding Dr. Mikael Egard said: "At this stage it is not really that important. We spent some time coming up with a graphical profile and a name that didn't offend anyone. Looking professional like we do, is enough right now". Particularly the importance of a team built up out of successful entrepreneurs and scientists in the field is what was perceived as relevant to their brand: "We really place a lot of effort in showing the strength of the team and professionalism. In receiving grants, the reason for getting them has been the team, it was obvious". Even when the Acconeer team applied for grants under time pressure and was not convinced of the quality of their application, they believe that the reputation of the team members is what placed them ahead of their competition.

At the time of the interview, GeoSignage was only two months from implementation of their products for their first customer. The focus was clearly more on the customer – other businesses in this case – where the creation of a strong brand was definitely considered highly relevant to their business. When asked the question: “How important would you say branding is to your company?”, Mr. Johan Posse’s answer was: “It is actually quite important, in this branch it is important to have references and people who know you’ve done a good job. The commitment with a customer is large and based on trust”. The importance of trust was stressed even more in the statement: “Our technique is not patented, so the relationships we make are where our competitive advantage lies”.

In a B2B setting brand relevance is mainly perceived as the creation of strong relationships with partners and customers in order to create long lasting commitments and create a professional reputation. The business to consumer relations that Surveylegend is mainly concerned with, increase their perceived importance of creating a strong brand. “[Branding] it’s one of the most important things, it goes hand in hand with the solution”. When addressing the fact that Surveylegend is a virtual company which operates in an online environment he responded: “It [the brand] might actually be more important than the solution, as long as the brand stands for quality”. These are the words of Surveylegend CEO Mr. Jasko Mahmutovic, who clearly attributes a high level of relevance to the creation of a strong, highly recognizable brand. A brand which is in line with the mission Mahmutovic formulated as: “Becoming the number one online survey solution. Size is important, but the most important thing is that Surveylegend becomes brand customers would think of first”. When delving more in to the relevance of building a strong brand identity he said: “It [Surveylegend] has to become the ‘Go- To’ brand: become the Google of the online survey industry”.

Interestingly the business incubator in which all these start-ups are based (Ideon Innovation) takes a rather different stance on the relevance of brand creation. This becomes apparent in the interview with Ideon Innovation ‘business coach’ Mats Dunmar who says that “[Brand creation] is something we never discuss. It’s not an issue, not on the agenda”. From his experience Mats Dunmar says: “It’s best to start selling, talk to customers about how they [the company] can help them and come up with the name later”. The formulation of a vision and mission is overrated according to Dunmar as well: “Vision and Mission are not that important, it is important to start

selling and then write a business plan, sometimes even after five years”. “You have to be able to update it and change it. The core values are important, the company’s core values and that of the team. They don’t have to be the same but have to be visible”. In an overall conclusion on the relevance of brand creation Dunmar stated the following: “Selling comes before creating the brand, not the brand first and then the selling. “What you call it [your brand], Monk or Ape, it doesn’t really matter”. “People spend too much time on the theoretical instead of trying it. People try to implement tools that were meant to keep large businesses running, in start-ups, doesn’t work”.

The next section that is addressed is the *brand creation*. The three companies currently have only one brand each in their respective portfolios. Surveylegend does have several ‘packages’ from which the customer can choose, but they operate under the same brand name. The creation of the brand started in all three companies with an idea of how the entrepreneurs wanted the customers to perceive their brand. Again, for Acconeer and GeoSignage (companies solely focused on the B2B market) that meant a focus on professionalism in the communication of the brand. Acconeer’s Dr. Mikael Egard explained: “We wanted a brand that was professional and stable, someone [a brand] you can trust”. “Very industrial”, Mr. Johan Posse, CEO of GeoSignage was very much on the same page with Egard: “Maybe we were not fully clear [about the brand identity they had in mind when they started the company], but we knew how we would like people to look at us: very professional”. Again his motivation was rooted in building strong relationships: “[In our industry] we deal with long lead times and big deals so trust is important”. The approach of Surveylegend was slightly different as Jasko Mahmutovic explains: “We worked from the name down, what it tells us and what does it make us feel?” “It [the brand] is all about the legend. When you use survey legend you become the legend. Every user is the legend”. All three start-ups stressed the importance of having an internet domain with the same name, raking it as more important than legally protecting the company name with a trademark. The starting-point seems to be acquiring the domain name and later on protecting the company name. Surveylegend has acquired a trademark in the European Union and the United States of America. While GeoSignage only has a trademark in the EU and Acconeer has no trademark at all. The design of the company logo differed in approach as well where Surveylegend had professional designers in-house, Acconeer outsourced the design: “[Our logo] was designed to look professional, initially for process management, and it was initially grey”.

The stance of Ideon Innovation on brand creation seems to be in line with the perception of relevance to the creation of a brand identity for its start-ups. Ideon innovation does not advise its companies to have a clear brand identity in mind when they do not start the company, nor does it advise its companies to search help from professionals in creating a name or a logo. Concerning registering a trademark Mats Dunmar said: “We advise entrepreneurs to check the brand’s or company’s expansion possibilities, asking the question: are you even allowed to use it in other countries?”

Where the creation of the brand seems rather low on the priority list of business coach Mats Dunmar, the support in registering for a trademark and acquiring an internet domain is very well structured. He referred to the fact that there are IPR experts in the trademark registering business, that are available to the entrepreneurs, just as lawyers to assist them with legal issues. The supporting staff at Ideon Innovation is available to help entrepreneurs with acquiring internet domains, but the important role for the business coaches (such as Mats Dunmar) is to discuss all the practicalities around it with the entrepreneur, particularly timing is important here according to Dunmar.

In the section on *brand building* of the start-ups, we focused on the entrepreneurs’ efforts that are put into implementing different branding tools that are required to take their brand to the next stage of development. The number of tools that companies can use to achieve this goal is rather extensive. Nonetheless we found that the number of tools that is actually utilized is rather low.

As mentioned earlier, all companies were able to acquire an internet domain with the same name as their company, two of which a ‘.com’ and GeoSignage a ‘.se’ domain, which is arguably a weaker position, for a company with global ambitions. Concerning brand exposure Mr. Johan Posse, GeoSignage, said: “We use Google AdWords, visit big global fairs on technology in public transport and look for exposure in branch magazines”. “Still, our primary method [of brand building] is calling and mailing: ‘direct selling’”. Just as Surveylegend, Acconeer has created an informative video explaining the value proposition of the brand. Surveylegend however has chosen for a combination of informative and entertainment (infotainment), which suits well with the way the brand, is communicated in general: a look and feel which is not very ‘corporate’.

Concerning internal communication rules or policies as a branding tool only GeoSignage said that a professional manner of communication is crucial for building the brand they have envisioned. In the words of Posse: “We do not have a page with policies, but we believe that the culture becomes what you want to communicate externally”. “We respect informal rules such as: don’t waste each other’s time”. An innovative tool in brand building that was used by Surveylegend was that of creating a competition. Mr. Jasko Mahmutovic, Surveylegend, said: “We created a design-competition and then used our own tool [Surveylegend] to determine who won the competition”.

Public relations were used in some form or shape by all the start-ups, mainly through press releases or articles that were written in industry magazines or newspapers. Dr. Mikael Egard, Acconeer: “We have been in some press but it was fairly uncoordinated”. “Industry specific press and also a press release when we received a grant from the government, which ended up on some places on the internet”.

The importance of brand building is most important for business to consumer companies in the eyes of Mats Dunmar: “In business to business the most important things are the personal relationships”. “When it comes to selling online, it is more important to build a brand”. The use of press releases concerning developments in the incubator is considered one of the most important tools in brand building of both the start-ups and the incubator itself. In communicating the brands externally, the incubator uses its own website, Facebook-page and printed leaflets. Dunmar said: “When there are any press-releases, international visits, company visits etc. etc. the companies are always ‘lifted up and promoted’, the incubator itself is secondary”.

The last topic discussed during the interviews was the *involvement of the business incubator* in creating a brand, both from the perspectives of the entrepreneurs in the process of incubation as well as from the perspective of the incubator itself, by interviewing business coach Mats Dunmar. When asked whether the business incubator staff stressed the importance of creating a brand Dr. Egard from Acconeer said: “They did not communicate that actually. I know they have a PR-guy, but we haven’t talked to him yet”. “We need to attract more capital so perhaps we need some PR to do so, but even here the team is the most important”. From the perspective of GeoSignage: “They haven’t pushed it [creating a brand] at all. Perhaps because we already had a brand, but they were more interested in the business model canvas and that they should focus on

that”. Again, the importance of brand identity creation is not stressed, which is even the case with Surveylegend, where the owners have clearly communicated that it is a relevant topic for them. Jasko Mahmutovic said: “When we came in to the incubator the brand was already there. The business incubator business advisor Mats Dunmar stressed the importance of protecting the brand and the focus which is more on the legal aspect of it”. Mahmutovic added: “I think when it comes to companies do not have a brand or good brand yet, they will stress the importance”. “They are here to help you with what you lack”. On this topic Dunmar stated: “It cannot be distinguished creating a brand from creating a company”. “If I compare being in a business incubator to starting the company in a basement, the business incubator is better”. Here it certainly becomes clear that based on the interviews the perception of brand relevance at Ideon Innovation is extremely low.

The branding creation activities by the incubator seem unsurprisingly rather limited as well. Egard, Acconeer: “I think almost all the business coaches have experience in branding activities but we have not used it yet”. It gives the impression that branding is not discussed by the incubator staff at all, illustrated by Posse, GeoSignage: “I don’t really know of any concrete help [by the incubator]”. ”There is a public relations guy though; we used him a lot with the press releases”. The fact that press releases form the basis of what the incubator engages in concerning the external communication of the brands Dr. Egard stated: ”When the technology is developed we will use them for press releases. Again, only press releases”. “Perhaps along the line we will visit conferences or have a showcase and perhaps they could help with planning of such an event since they have experience with that”.

In conclusion Dr. Mikael Egard from Acconeer believes that branding might not be that valuable to the company at this point and the involvement of the incubator is therefore not high on their priority list. Posse, from GeoSignage, believes that:”The business incubator is not vital for creating a brand. It is more important for creating a business in general”. The main point of support that Jasko Mahmutovic highlights is the involvement in trade-marking his company name. “Our competitors could have trademarked Surveylegend and we would have been done. In the end it is all about protecting the brand”. “In the online industry the brand is everything”. In his opinion Ideon Innovation has therefore played an important role in safeguarding his branding efforts.

When asked about the importance of his business incubator in creating a brand he stated: “We could be better at that, we could do much more”. “The focus is on selling and products and teams, but not on brands”. Dunmar concluded by acknowledging the importance of branding by stating: “In this world where everything is a one-liner and it is important to grasp the brand quickly, it is important to know more about brands”.

6. ANALYSIS

In this part, we are analyzing the results we got from the empirical investigation. The ultimate goal of this part is to provide answers to our research questions. In order to convey a deeper analysis, we will look into other sources of data such as the websites of the companies, their Facebook pages, as well as other branding practices that will help us understand how companies try to establish and communicate their brand identity in the business world, with the support from business incubator. Similarly like in the 'Results' chapter, each of the countries is going to be analyzed separately by utilizing the previously described model of the Bresciani and Eppler (2010), that is adapted according to the needs and requirements of this study. During the analysis, we are going to use graphical representations of ratios between important variables from our results.

6.1 ANALYSIS OF EMPIRICAL RESULTS FROM COMPANIES IN MACEDONIA

6.1.1 ANALYSIS OF GENERAL CHARACTERISTICS

Geographically seen, two of the companies are located in two different premises that are owned by the YES Incubator in Skopje. Since it acts virtually, the third company Cyber Security does not use the office space that is provided by the incubator and is registered in Kumanovo, a city that is 27 situated kilometers from Skopje.

The start-ups from Macedonia that are chosen for investigation are under two years old. The youngest company of them is Code IT Solution, which is established in May, 2012 and operates for almost a year. In accordance with the terms and contract with the incubator, the start-ups can

use the services from the incubator for two years, since their foundation. Afterwards, YES Incubator offers a possibility for further extension of this contract.

When it comes to the number of employees that work in the companies, there results we got are quite different. The biggest start-up is CodeWell, which has 10 employees that work on the development of mobile applications. Code IT Solution and Cyber Security have three and one that works full time, respectively. However, besides the owner, Cyber Security has other two external associates that are often engaged in the development process.

It is quite interesting to see that the primary business model of the selected companies is B2B. According to the results, the companies see a better chance of success by serving other business entities. Although these companies mainly collaborate and sell their products and services to other companies, two of them also place their products on the individual consumer market. However, in general, B2C plays small part in the strategy and offering from the start-ups.

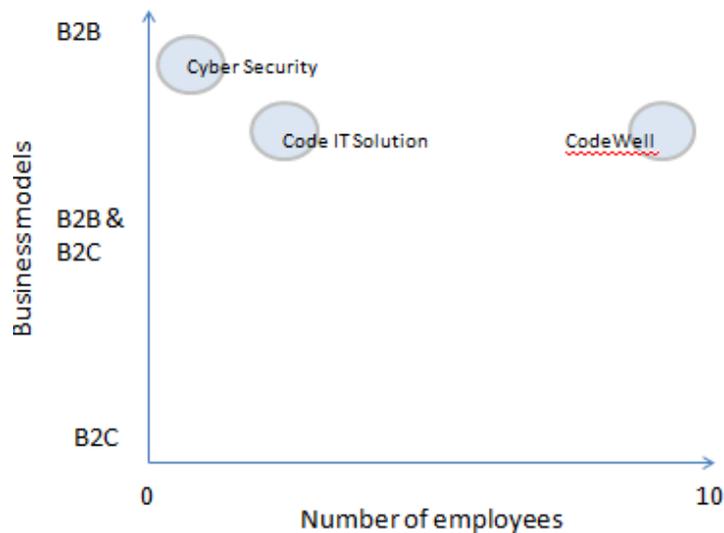


Figure 10. Number of employees and business models

An important aspect that needs to be addressed is the target market of the explored companies. From our empirical investigation, we conclude that the start-ups prefer to work internationally, rather than serve the domestic market (see figure 11).

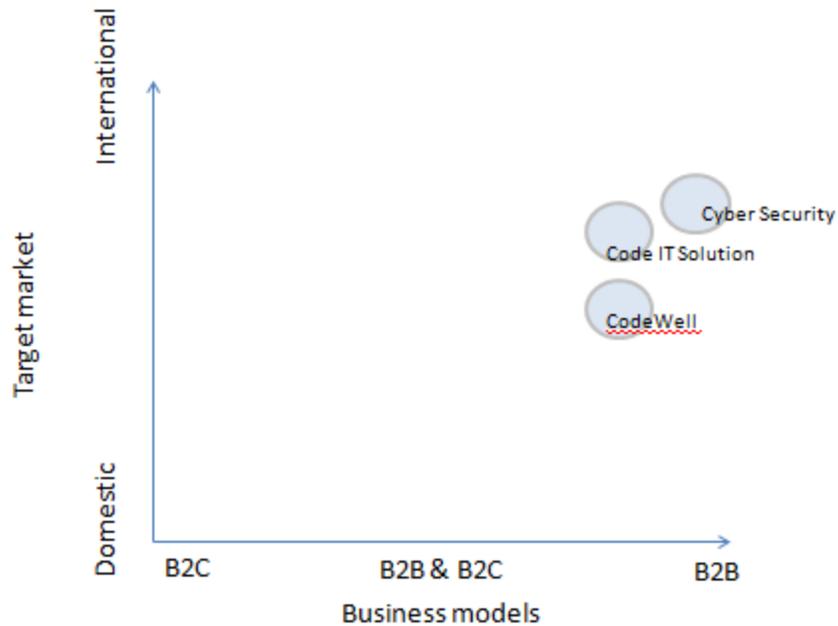


Figure 11. Business models and target market

The main reason for this lies in the greater possibilities for success, expansion and generating profit. Although they want to be present on the domestic market, they consider the domestic market as less economically developed and see the drawbacks of the Macedonian economy and financial stability, which corresponds to the efforts that the government puts in development of entrepreneurship as a tool for reducing poverty, rather than growth of wealth in this country.

6.1.2 PERCIEVED RELEVANCE OF BRANDING

From the obtained results we can say that branding is an important aspect that is seriously considered when starting a new venture in Macedonia. The companies that were interviewed have a clear perception of branding, as they instantly relate the process of branding with the company name, creation of logo and other common branding practices that allow companies to build their corporate identity, distinguish themselves from the rest of the crowd and build transparency. However, it is important to note that, these start-ups recognize the fact that they have limited financial power and the resources for marketing, especially in the first year of their presence on the market.

Reflecting on the mission and vision, all of the companies have a clear comprehension regarding these terms. Clearly defined mission and vision are vital for bringing consistency in a company's working and acting of the market, as well as for the process of branding.

Nevertheless, the process of positioning is rather difficult for the investigated companies. Although Cyber Security tends to position on the Macedonian market, this company experiences greater difficulties in the other countries. The reason for this lies in the lack of awareness regarding the company's area of action and services that is present on the domestic market. Despite the specificity of this problem, a more general issue that reflects on the companies' positioning is the newness of the company that relates to the limited time presence on the market.

On figure 12, the ratio between business model and brand relevance is present. As presented on the graph, it is important to see that branding is quite relevant subject for Macedonian companies, although the primary type of clients for the start-ups are other business. This shows that B2B branding has gained popularity, despite of the traditional views that see branding as a B2C activity.

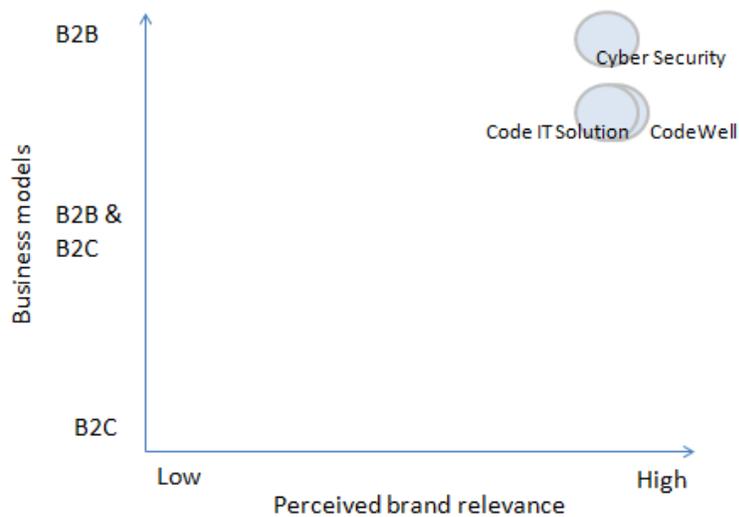


Figure 12. Perceived brand relevance and business models

6.1.3 BRAND CREATION

The second part of this analysis is related to the visible part of the brand. The name is one of the most important elements that need to be considered, when creating a brand. According to the literature, there are several types of brand names: fanciful, suggestive, descriptive, arbitrary and generic. Two of the start-ups from Macedonia have suggestive names (CodeWell and Code IT Solution) which do not require a lot of thought, in order to understand the connection between the name and the field in which the company operates or the products and services it offers. The third company, Cyber Security has a descriptive name, which can be hard to protect and difficult for making distinction. However, none of the companies is interested in patenting the name of the company because of several reasons such as expensiveness of the patent process or not facing threat of stealing the identity of the company. Nonetheless, while investigating the usage and availability of these names based on the Internet domains, we have found out that the names of the companies are not authentic in international context. In the world, there are other firms that have been using the names like 'CodeWell' and 'Cyber Security', or even similar like 'Code IT Solutions' (instead of 'Code IT Solution'), but have different domains. Although there is a clear difference in the domains of the firms, this complicates the process of brand recognition by bringing confusion to the clients not just in international, but also in domestic terms. Therefore, these start-ups should seriously consider alternative names which will be more authentic and will be immune on the problems that might occur with the expansion of the company in the future.

Logos are the second important consideration that has to be made, when establishing a company. As mentioned earlier, two of the examined start-ups in Macedonia see the logos as a vital part of the branding activities that is crucial for making distinction from other entities. When analyzing the choice of logo, it is important to note that in the marketing literature, there is no systematic research that will help in determining the effect of logo design on consumer evaluations of logos (Henderson & Cote, 1998).

As viewed from traditional perspective, good logos should be meaningful, recognizable and affectively positive. The logos of Cyber Security and CodeWell consist of the initial letters of the company's name. The first impression we get by looking at these logos shows less alignment with the traditional perspective and with a greater emphasis on providing a professional look and

creating positive image. However, CodeWell's logo looks more artistic and abstract, with a line that swirls into the initial letters of the company's name. Furthermore, we notice that Code IT Solution has different logo variations. On their Facebook page and brochure, there are several versions of their logo - one which contains the whole name of the company (Code IT Solution), another one that has only the part 'Code IT' and the last one, an abstract logo which is designed with enhanced repetition of quadrant elements. Nevertheless, we believe that having more than one logo can increase the confusion among customers and affect the process of brand recognition.

When it comes to the color of the logo, all of the companies have a blue color in their logos. Other colors that are used are grey (Code IT Solution, Cyber Security), green (CodeWell), black (Code IT Solution) and white (Cyber Security).

With regards to the brand portfolio and brand extension, all of the companies try to develop more than one brand: corporate brand and product brand. Although none of the companies has intentions in the moment to create a corporate brand extension by acquiring other brands, CodeWell has managed to create a brand extension from several products. Furthermore, this company tries to transfer part of the corporate identity to some products. With this, the company can increase the level of recognition and consciousness regarding its corporate identity.

There is a common belief among the companies that their corporate brand can be considered as authentic. They believe that their names, slogans, logos are enough for distinguishing themselves from the rest of the crowd. However, as argued previously, they may face difficulties with the company names in future, as there are other international firms with the same name.

6.1.4 BRAND BUILDING

The results from the empirical investigation show that start-ups in Macedonia build their brand identity by utilizing various branding tools. The most commonly used tool for achieving this is the online marketing. All of the companies have web sites and Facebook pages and worked on improving the SEO. On their websites there are various types of information that are connected with their mission, vision, the field in which they are working, contact information as well as

their product and service offerings. Furthermore, some of them have e-brochures that contain information about the company. Facebook represents a massive tool for communicating with the customers. CodeWell and Cyber Security are quite engaged in this process by placing event announcements, countdowns for new applications (CodeWell), as well as posting videos from conferences or different types of events (Cyber Security and Codewell). However, there is still room for improvement in Search Engine Optimization. With exception of CodeWell, it is quite difficult to find the other firms without writing the '.mk' Internet domain, because of the names of the companies, a problem that was mentioned before. SEO is crucial in the online environment, and is of great importance for these companies. Therefore it is essential for them to understand its role, use and impact it has on the brand building process and creating brand recognition in online context.

Advertising is a tool that is not considered to a large extent, when Macedonian companies try to build brand. Most of the companies recognize traditional advertising as an expensive tool and they point out the limited financial resources as a reason for not implementing this tool. This shows that companies are looking for more convenient, less-expensive ways that cover larger geographical area and bring better results when building a brand. Moreover, this situation can be considered as a result of the companies' decision to build the brand internationally, rather than domestically, while using small financial resources.

In B2B literature, there are two ways of branding: through creating a corporate brand and by branding products. According to the results, we can state that, companies tend to create a corporate brand initially. However, as suggested by the literature, corporate brand in B2B is built mainly through PR, a tool that is not commonly used by the investigated companies. This can raise the question of whether the companies understand the necessity of establishing PR as a basis for communicating with their stakeholders, especially on B2B level. Therefore, start-ups must seriously consider using this tool, if they want to build a corporate brand that will lead towards establishing long-lasting relationships and trust within the business to business environment.

Participating and organizing events are another branding tool that is used by the start-ups. Companies from Macedonia seek their chance mostly to participate on international events, where they have the opportunity to present their brand and brand portfolio. Furthermore, these

events can provide the companies with a chance of meeting international investors that are looking for promising ideas within the ICT field. Organizing events is also important, but in arrangement with different business partners.

Sponsorships are not used by the examined start-ups very often. Companies believe that they are still young and for this type of activities. However, one company (CodeWell) is engaged in this type of activity, by developing mobile applications for public organizations from Macedonia. We believe that this represents a good way of promoting the company and creating awareness about the company in the domestic market.

During the exploration, we found out that the companies do not pay significant amount of attention to other branding tools such as music jingles, wearing uniforms, internal brand communication. However, they tend to use structured recruiting process, create videos about their profile and from events they attend. As stated in the results, the decisions regarding the branding activities lie with the owners of the company and possibly, the person responsible for marketing activities. This situation clearly indicates that these start-ups use a top-down approach. According to the results, we can understand that start-ups that are consisted of more employees and have a person that is responsible for marketing, utilize more branding tools in order to create and build the brand identity. These start-ups have clear idea of the branding process and its importance, and therefore, they show strong determination and branding knowledge in order to fulfill the objectives within this area.

Another important aspect that was investigated was brand creation and building in virtual firms. From the results we obtained, creating and building brand virtually as a start-up is easier than to be physically present, in terms of the savings the start-up makes by not paying a rent. The saved amount of money from rents is extremely important for one start-up, if we understand that they have limited financial resources. Therefore, acting virtually represents an advantage for this type of firms.

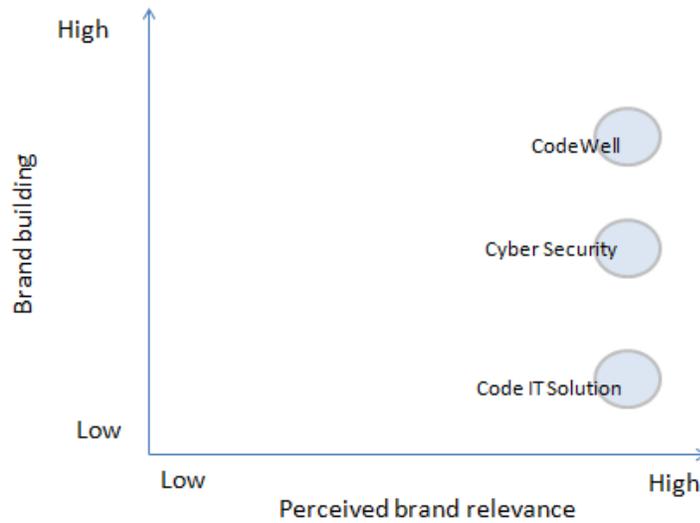


Figure 13. Perceived brand relevance and brand building

On figure 13, the ratio between perceived relevance of branding and brand building is illustrated. Although the perception of branding is generally high, the companies build brand on different levels. This alludes that not all of the companies use the same number of branding tools, even though they recognize their significance in the branding process.

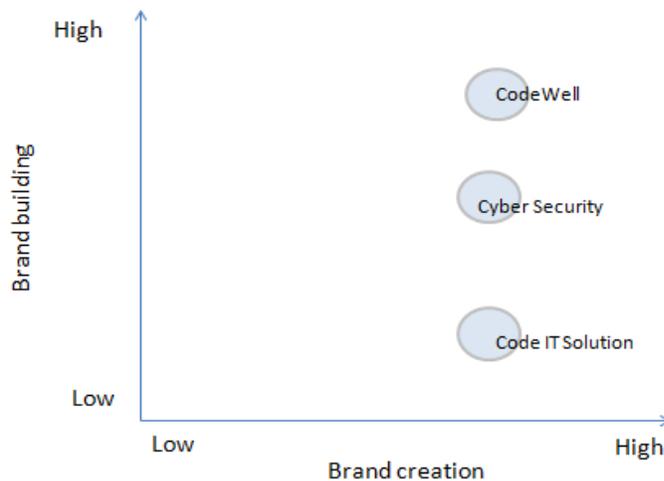


Figure 14. Brand relation and brand building

In order to provide a clear picture of the relation between brand creation and brand building, we create the figure 14 with these two variables. As mentioned earlier, all of the start-ups create their brands based on documented ideas in their business plans, developed logos in-house or by engaging external associates etc. However, the problems such as unauthentic names which are not protected can be considered as problems in future and limits the companies of having a high level of brand creation. Furthermore, as explained previously, there is a different level of building the brand identity, by using different number of tools.

6.1.5 SUPPORT FROM BUSINESS INCUBATORS

The overall perception of the examined companies is that, the incubator provides a high-level of support, when it comes to the process of branding. Companies believe that offering space at lower costs (only for firms that are physically present in the incubator), mentorship and consulting expertise, as well as the extended network of connections has a massive influence of the process of creating and building a brand. Consulting lectures within the marketing field, trainings in different areas, as well as finding clients are more specific actions that YES Incubator provides for its tenants. Moreover, companies identify the incubator as an organization that increases their chances for survival and can help them to position themselves on the market.

When it comes to promotion, the start-ups are generally satisfied with the efforts that the incubator puts in promoting the companies. As a main tool of promotion is the incubator's website on which there is information about the companies and their area of working. However, we argue that this type of promotion is enough, when trying to create awareness about start-up firms that are present on the market for less than two years. Furthermore, this type of promotion is insufficient, when it comes to attracting foreign and domestic investors that would like to provide the start-ups with financial back-up. Therefore, we conclude that the incubator does not play a big role in the process of external promotion of its tenants.

6.2 ANALYSIS OF EMPIRICAL RESULTS FROM INCUBATOR IN MACEDONIA

The results we have got from the manager of YES Incubator differ to a large extent, when compared to the previously analyzed results from companies' perspective. According to YES Incubator, the process of branding is completely irrelevant for the concept of start-ups. It is argued that brands are built with years, and start-ups exist only for a limited time on the market. Furthermore, the concepts like vision and mission are not important at all, because they are constantly being altered as a result from the challenges that arise in the business environment. Instead, start-ups should work on their flexibility in dealing with those challenges.

When it comes to brand creation, there is a new deviation in the answers of companies and incubator. The incubator's role during this process comes with providing a chance to meet consultants that advise the companies regarding these issues. This alludes on the fact that the incubator is not directly involved and does not have direct influence on the process of brand identity creation for start-up companies.

The biggest support that the incubator provides for its tenants is networking. This organization tries to provide the companies with a chance to get in touch with angel investors. Furthermore, they tend to provide consulting services for the firms, but this support is partial, due to the limited resources that the incubator has for engaging various consultants. During the process of brand building, the incubator advises the companies to engage themselves in PR, take as many interviews as possible that will help them establish themselves on the market. This shows that the incubator sees PR as a main activity for creating awareness and recognition through the corporate identity of start-ups and of huge importance for them that try to position themselves in the market.

Promotion is an area in which the incubator is not really engaged. Although they perform these types of activities, they do not promote them each company separately. This corresponds to our previous conclusion about the small role of the incubator in these activities.

An interesting aspect that needs to be considered is the financial power of the incubator. From the results, we can understand that this incubator has limited financial power that restricts the organization and the services it offers. Although this organization used to provide grants few

years ago, the situation now is completely changed to the extent of which the incubator has difficulties in securing its survival, due to the lack of investments from the national government and international investors.

When comparing the results from the incubator and the companies from Macedonia, we can understand there is a gap between the companies' low expectations and high appreciation regarding the support of the incubator and the incubator's realistic views and limited support that is offered the start-ups when creating and building a brand. On the one hand, we can argue that companies recognize the intensive and competitive environment and how difficult can be for them to position their brand on the market. Therefore, they believe that the rates for creating and building brand identity and success will be lower, if they are not part of an incubator that provides support and nurturing. On the other hand, the incubator recognizes the limited financial power it has and admits that the quality and quantity of the services can be improved.

Nevertheless, we conclude that the business incubator in Macedonia plays a small role in the process of brand building. We believe that the main reason for this lies in the incubator's lack of understanding of the importance and relevance of the branding concept for start-ups. We believe that branding is an aspect that is of huge importance, not just for large companies, but also for young and new ventures. At first, in order to position on the market, where are thousands of companies that fight for survival and succeed, you need a powerful brand that will be a clear distinction between the start-up and rest of the companies that serve the market. Secondly, we claim that vision and mission represent foundations on which every company is based. Without having clear mission and vision, the company cannot act properly and follow the path and direction to success. Thirdly, in order to attract foreign investors that will put financial resources in both, incubators and start-ups, it is very important to present your corporate brand which shows who you are, what do you work, what kind of products/services you offer, what is your mission, vision and key values etc. Therefore, we believe that the business incubator and the start-ups should work together on creating and building a brand that will be transparent and different from the competition. Although we recognize the incubator's efforts that are put in networking and understand the limited financial power of this organization, we believe that the incubator should change its conceptual way of thinking about branding and enhance its role in the process of brand creation and building by providing greater commitment in the promotion of

each of the companies that are suited in the incubator. The implementation of this can be of massive importance for the incubator and the start-ups, mostly in terms of gathering financial aid from investments that will increase the financial power not just for the start-ups, which is a main problem for them in Macedonia, but also for the business incubator.

6.3 ANALYSIS OF EMPIRICAL RESULTS FROM COMPANIES IN SWEDEN

6.3.1 ANALYSIS OF GENERAL CHARACTERISTICS

All the start-ups are physically situated in Lund, Sweden, where they each have an office in the Ideon Innovation business incubator which is a stone's throw away from other business incubators, the economics and management faculty (LUSEM) and the faculty of natural sciences (LTH). This environment provides a great network which can aid the start-ups in becoming successful brands.

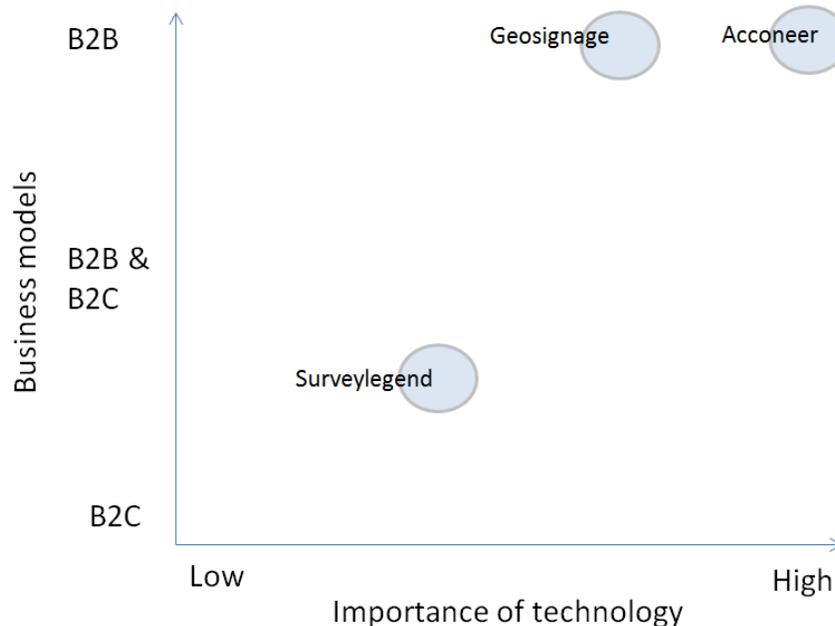


Figure 15. Importance of technology and business models

The importance of technology to the start-ups is illustrated in relationship to the business models they utilize (see figure 15). Since in particular Acconeer, but also GeoSignage are both still in the

development phase, the focal point certainly lies on technology for the start-up. Acconeer is still a minimum of a year removed from implementing their research which is extremely technology focused.

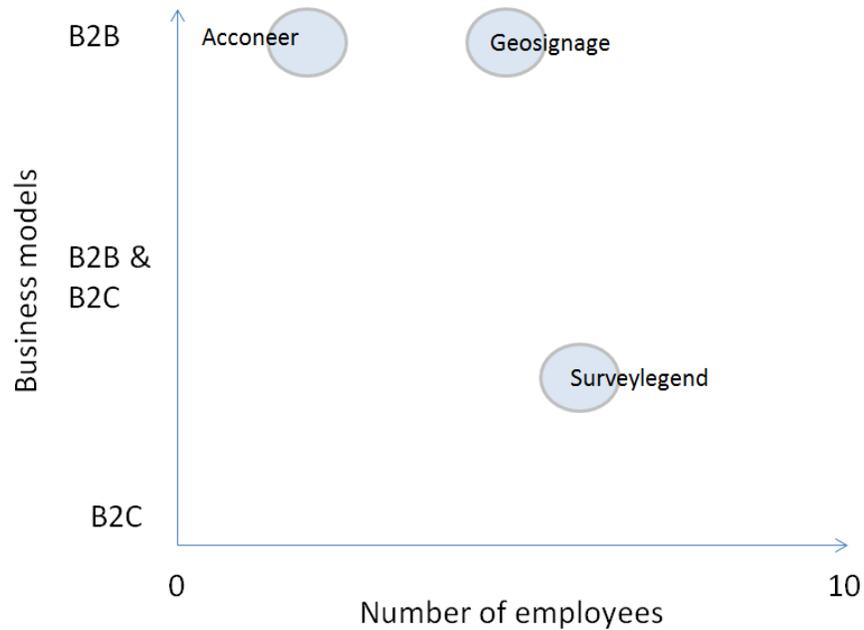


Figure 16. Number of employees and business models

The number of employees that are part of the start-ups as compared to the business models are also visualized on figure 16 in order to give a better insight in the sample that has been analyzed.

Furthermore, all the companies in the sample target an international market. This is not surprising since global potential is a prerequisite for being accepted in to the Ideon Innovation business incubator. The business incubator aims to be a springboard for start-ups that are able to ‘make it global’. Important motivational factors from the incubator’s perspective seem to be: aiding start-ups in becoming wealth generators for the Swedish economy in revenue and job creation, as well as building its own brand as an extremely successful incubator which is renowned as a European frontrunner.

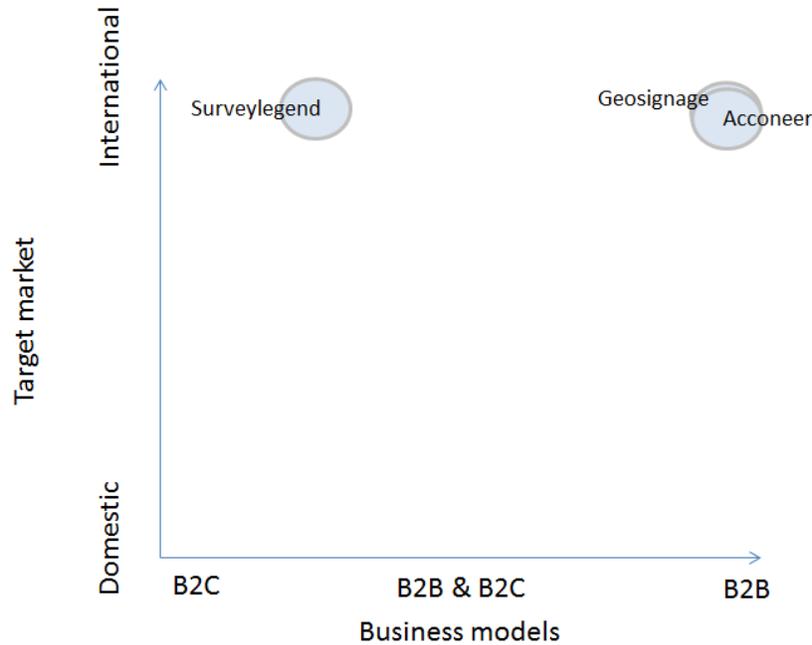


Figure 17. Business models and target market

6.3.2 PERCIEVED RELEVANCE OF BRANDING

The first part of our study was focused on the perception of brand relevance, both from the perspective of the entrepreneurs as that of the incubator staff. Particularly the differences amongst these parties and the motivations for their opinions were extremely valuable in providing insight into this process.

The companies all work in a business to business (B2B) environment, however, Surveylegend also operates as business to consumer (B2C). In fact, the latter is where the focus of the business lies in number of customers. Interestingly, we can observe in figure 18 that there seems to be a relation between the business model a company uses and its perceived brand relevance. Certainly this sample is too small to jump to such conclusions. Nonetheless, this point is strengthened by the entrepreneurs who clearly indicate that they believe branding is most important in a B2C setting where the brand allows one to address a large audience. The B2B setting is more based on building long-term relationships and building trust, rather than creating a brand.

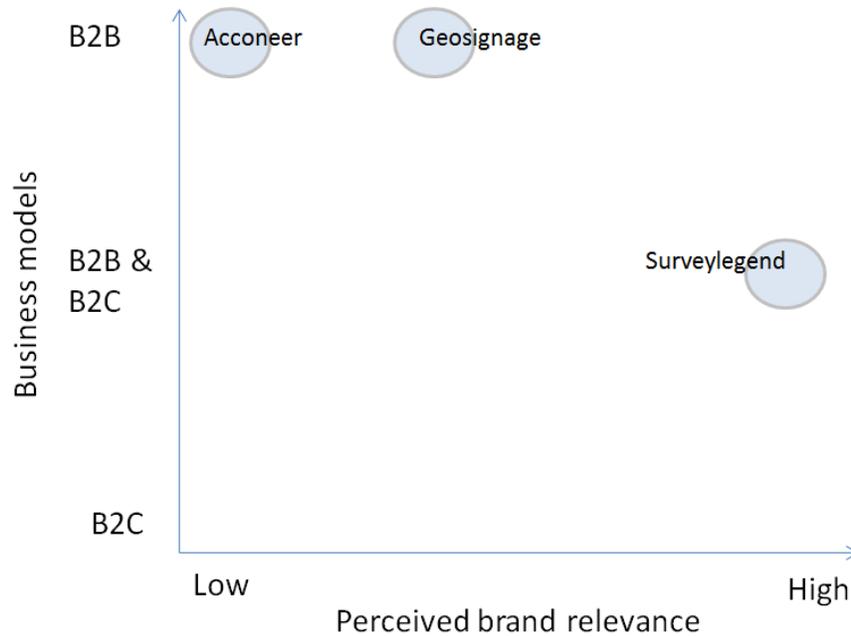


Figure 18. Perceived brand relevance and business models

Certainly the literature points out that B2B branding has been unjustly disregarded both in academia and practice, due to the misconception that actors in a B2B context are completely rational (Gardner & Levy, 1955). It has become abundantly clear from the interviews with the entrepreneurs that this misconception is indeed very strongly present. Branding as a discipline is viewed to be a possibility once the company is ‘up and running’.

6.3.3 BRAND CREATION

The second part of this analysis is related to the visible part of the brand. The name is one of the most important elements that need to be considered, when creating a brand. According to the literature, there are several types of brand names: fanciful, suggestive, descriptive, arbitrary and generic. Two of the start-ups from Sweden have suggestive names: GeoSignage and Surveylegend. Firstly, GeoSignage uses the technology: signage, implemented geographically, which the CEO clearly mentioned were the two components that would preferably be in the company name. Surveylegend is an online survey solution and the name is therefore also suggestive. The latter, Acconeer, does not have a particular meaning as such, and falls therefore

in the category of fanciful names. The main motivation for choosing this company name, according to the entrepreneur, was to create a professional sounding name that would not offend anyone. GeoSignage and Surveylegend are registered trademarks, which they believe to be important in international expansion. Particularly Surveylegend contributes a high level of importance to protecting the brand name, claiming that the brand name is one of the most valuable assets the company possesses. Acconeer is currently in the process of patenting their wavelet technology, which shows that the protection of the technology is prioritized over protection of the brand name.

As mentioned previously, there is no systematic approach for determining the effect of logo design on consumer evaluations of logos (Henderson & Cote, 1998). The logos of both Acconeer and GeoSignage are focused on creating the professional brand that they strive for. Currently the logo of Acconeer is light blue, but it used to be grey, aimed at giving the company an even more ‘serious’ look as described by the entrepreneur. The approach of Surveylegend is completely different: rather than having a serious and ‘corporate’ logo, the aim was to create a fun, easily recognizable logo. The theme of ‘the legend’ is clearly recognizable in the logo and the logo returns throughout the website. The entrepreneur stated that it is important for the customers to be able to relate to the superhero figure which is their logo and understand that by using their products, they will become ‘the legend’ themselves.

6.3.4 BRAND BUILDING

The activities of brand building were addressed thirdly in gaining understanding of the efforts that are put in the realization of making the created brand reach its full potential. Interesting observations concerning brand building as such, was the discrepancy in relation to the perceived relevance of branding and the brand creation.

The top graph in figure 19 shows the brand creation activities compared to the brand building activities. The company Acconeer scores rather low on both variables, but has spent more effort on the creation of the brand, rather than building it. The explanation for this lies in the fact that a

strong professional brand is important in acquiring funds to continue research, whereas building the brand does not have priority until the technology is market-ready. GeoSignage rather, has invested equally in creation and building of the brand, but does not attribute much value to these efforts even though the company is very close to starting its first contract. The reason for this is the before mentioned lack of perceived brand relevance for B2B companies. Surveylegend is again the outlier, with more brand building and brand creation activities. Certainly this can be attributed to the high level of perceived brand relevance of the entrepreneurs in charge of Surveylegend.

The latter remark is confirmed in the comparison between brand building activities and perceived brand relevance. As illustrated all companies perceive the relevance of creating and building a brand higher than the brand building activities show. The explanation for which could be the fact that this study is concerned with start-ups, who aspire to commit to more brand building efforts in the future stages of the company's development.

The levels of brand creation, as well as the perceived brand relevance are easily comparable in the figure below. Strikingly all companies have a higher perception of brand relevance than the level of brand creation relative to each other.

Even though the perceived brand relevance is rather low for Acconeer, the actual effort placed in creating the brand is even lower (see figure 19). This discrepancy is particularly visible in GeoSignage, where brand creation is neglected to a large extent, while the entrepreneurs do in fact perceive it to be important. We can conclude that the results lead us to think that a clear task for the entrepreneurs is to act upon their beliefs on the importance of brand creation, rather than neglecting it.

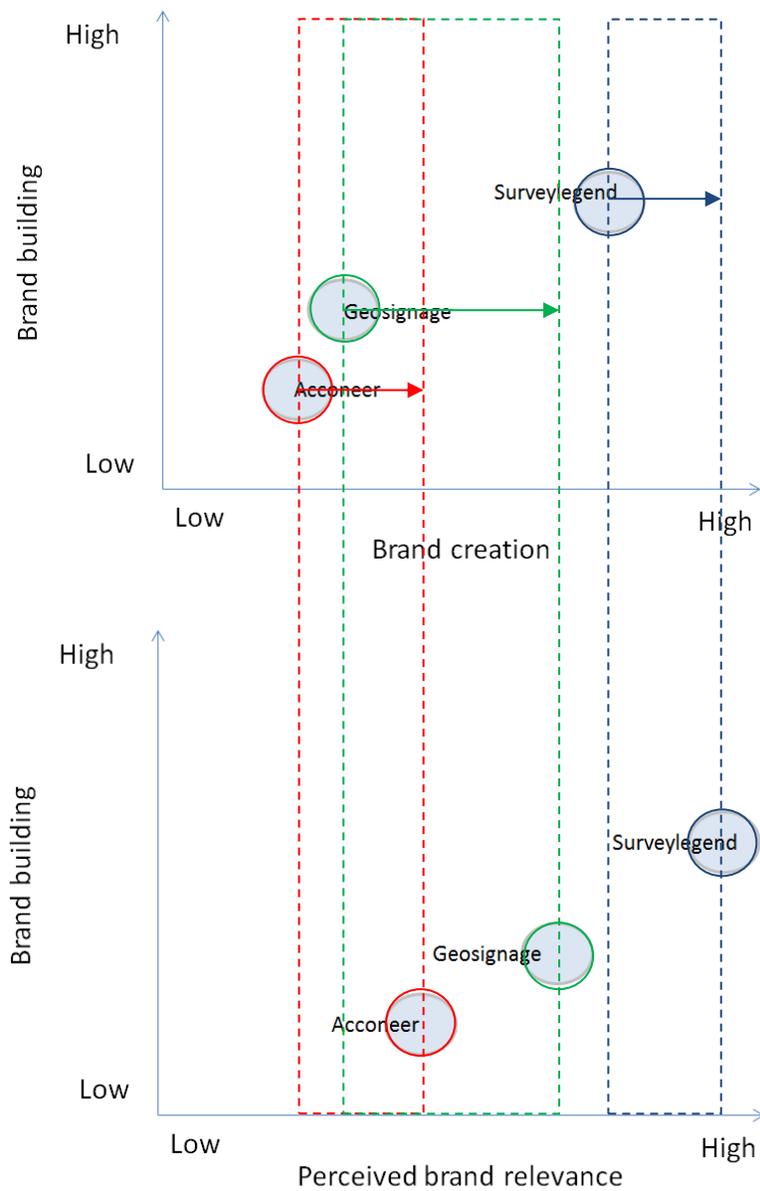


Fig 19. Brand creation/brand building & Brand building/perceived brand relevance

6.3.5 SUPPORT FROM BUSINESS INCUBATOR

The entrepreneurs to whom we have spoken are generally positive towards the support the business incubator offers them in their efforts to run their respective businesses. The CEO of

GeoSignage even indicated that they had been part of another incubator in Lund before moving to Ideon Innovation. This incubator, Venture Lab, was certainly inferior concerning expertise according to the GeoSignage CEO.

The office spaces that are offered for very attractive prices as well as the availability of expertise and a personal business coach, all create a good support network according to the entrepreneurs. However, when addressing the topic of branding, it becomes clear that the topic is not even brought up by the business coaching, much less focused on.

When the brand creation is concerned the support from the business incubator is limited to registering for a trademark. Help which is much appreciated by the entrepreneurs, since it is a strenuous process and help from an objective party simplify the process.

Concerning brand building activities the incubator supports the start-ups in promoting them on the incubator's website and in publications on the incubator. The support is therefore limited to the channels the incubator uses to communicate what development the incubator as a whole goes through, rather than aiding the entrepreneurs to build their own brand. However, the staff of the incubator does aid in building the brands when the entrepreneurs want to make a press release.

In conclusion the entrepreneurs did seem content with the support of the incubator in creating and building their brands. We do believe that there is a direct correlation between this finding and the low level of perceived relevance of creating and building a brand. Since B2B branding is considered to be rather unimportant, the level of support that is expected of the incubator is rather low as well. The topic of branding is furthermore not brought up by the business coaches, which creates an environment where the entrepreneurs are unaware of the potential value that could be created through branding.

6.4 ANALYSIS OF EMPRICAL RESULTS FROM INCUBATOR IN SWEDEN

The business coach at Ideon Innovation has a similar perception of the value of B2B branding as that of the entrepreneurs: namely that branding is unimportant in a B2B setting, rather it is about

creating relationships (Gardner & Levy, 1955). In fact, the business coach's view was more skeptical towards branding than that of the entrepreneurs. Mats Dunmar from Ideon Innovation stated that branding efforts could be valuable about after five years after founding the company. However, becoming financially viable and generating first profit is where the focus lies, and branding is not a tool which is propagated by the incubator to reach these goals.

Concerning the vision and mission of the start-ups the relevance is also limited concerning Dunmar. Nonetheless, the values of the company are important and should be communicated within the team. The vision, mission, brand name and logo can all easily be changed again and again without major consequences according to Dunmar and putting effort into creating a brand should therefore not be high on the priority list for an entrepreneur.

The main focus for a business coach such as Mats Dunmar, just as for the incubator as a whole, is to aid in the creation of successful businesses with international potential and ambitions. The success is measured in companies that become profitable, as well as the reach of their products or services. Since brand measurement is completely neglected within the incubator, it is not considered a measurement of success. The perception of branding from the incubator's perspective is thus a limited level of relevance and therefore very limited level of support concerning creation and building of the brand.

In conclusion, it is important not to underestimate the influence the business coaches and other staff members of the incubator have on the entrepreneurs. Particularly entrepreneurs that have had an education where the focus has been on technology development rather than business development may arguably be less likely to be aware of the importance of branding. When the incubators staff in its turn does not stress the importance of branding, but rather stresses its insignificance as compared to other activities, the likelihood of these entrepreneurs to pursue the creation of a strong brand becomes rather slim. In our opinion a missed opportunity in making the transformation from good ideas to viable businesses: which is certainly the aim of a business incubator in the first place.

In table 2, the branding practices of all companies are presented, as well as the perception of companies regarding the incubators' support.

Company	Acconeer	Geosignage	Surveylegend	CodeWell	Code IT Solution	Cyber Security
Branding activity						
Brand relevance						
Perceived relevance of branding	Low level	Medium level	High level	High level	High level	High level
Vision, Mission	Low level	Medium level	Medium level	High level	High level	High level
Positioning	Low level	Low level	Medium level	Medium level	Medium level	Medium level
Brand creation						
Documented idea from start	High level	High level	Medium level	High level	High level	High level
Name/logo professional choice	High level	High level	High level	Medium level	Medium level	Medium level
Protected/™	Low level	High level	High level	Low level	Low level	Low level
More than 1 brand (brand portfolio)	Low level	Low level	Low level	Medium level	Low level	Low level
Brand extension	Low level	Low level	Low level	Medium level	Low level	Low level
Authenticity	Low level	Low level	High level	Medium level	Medium level	Medium level
Advertising	Low level	Low level	Low level	Medium level	Low level	Low level
PR	Low level	Medium level	Low level	High level	Low level	Low level
Events	Low level	Low level	Medium level	High level	Low level	High level
Sponsoring	Low level	Low level	Low level	High level	Low level	Low level
Online marketing	Low level	High level	High level	High level	High level	Medium level
Internet domain with same name	High level	High level				
Newsletter	Low level	High level				
Music/jingle	Low level	Low level				
Videos	Low level	High level	High level	High level	Low level	High level
Uniforms/Branded clothes	Low level	Medium level				
Structured recruitment process	Low level	Low level	Low level	High level	High level	Information not available
Internal communication rules/policies	Low level	Medium level	Low level	Medium level	Low level	Low level
Support from incubator						
Financial services	Medium level	Medium level	Medium level	Low level	Low level	Low level
Office space at lower cost	High level	High level	Low level	High level	High level	Low level
Consulting services	Low level	Medium level	Medium level	High level	High level	High level
Network of connections	Low level	Low level	Medium level	High level	High level	High level
Promotion	Medium level	Medium level				
Relevance and impact of business incubator for branding	Low level	Low level	Low level	High level	High level	High level

Low level  Medium level  High level  Information not available 

Table 2. Branding practices and support from business incubator (Adapted from Bresciani & Eppler, 2010)

7. DISCUSSION

From this exploratory research and based on the results we get from investigating the processes of brand identity creation of start-ups, with the support of business incubators, we now put an emphasis on the theoretical and managerial implications of our work.

7.1 THEORETICAL IMPLICATIONS

At first, branding in B2B context is going to be addressed. Although the primary market of the Macedonian start-ups is B2B, they perceive branding as a one of the most important elements for one new venture. This high perception of branding is totally the opposite of the myopic views of business marketers, who have seen branding as very irrelevant to business markets (Leek & Christodoulides, 2011), and shows the shift that happened over the years. However, the perception on B2B branding is rather different and shows alignment with not just the views of Leek and Christodoulides, but as well as the view of branding in start-ups like an 'oxymoron' (Merrielles, 2007), a view that occurs due to the lack or poor understanding regarding the meaning and significance of branding (Bresciani & Eppler, 2010).

Secondly, this study can further extend the findings of Bresciani and Eppler (2010) regarding brand identity creation in start-ups from Switzerland, by adding the two investigated countries, Sweden and Macedonia. Recognizing the diversity that exists in many business aspects between these countries, our aim is to present the processes of creation and brand building in start-ups within two different environments. Our findings suggest several similarities that companies from Macedonia have with the Swiss start-ups such as perceived relevance of branding, clearly defined mission and vision, documented idea from start; companies have suggestive and descriptive company names. Furthermore, Macedonian start-ups are very fond of using online marketing as a main branding strategy, with more emphasis put on the creation of Facebook page and dynamic webpage. In line with Bresciani and Eppler's results, these start-ups do not utilize advertising as a way of brand building. Despite these similarities between start-ups from Switzerland and Macedonia and as mentioned earlier, most of the companies from Sweden do

not see branding as an important process, and therefore are not engaged a lot in this process, with exception of online marketing activities such as SEO, Facebook pages and websites.

An interesting aspect that needs to be addressed is PR. Although branding is placed low on the Swedish start-ups' priority list and is highly relevant for Macedonian companies, most of the involved companies in branding are more prone to create corporate brand, instead of product brand. However, they not utilize PR to a large extent, which is considered as significant tool especially in B2B context (Leek & Christodoulides, 2011) and opposite of previous findings on SME's (Krake, 2005; Petkova et al., 2008), where is considered as one of the most convenient tools for branding of small and medium companies.

The findings of this study can further expand the field of entrepreneurs in branding. Our research supports the literature when it comes to the decision-making process in the start-up. Our results prove that the responsibility of making brand decisions lies mostly with the founders of the company, which is analogous with suggestions and findings from Krake (2005), Rode and Vallaster (2005), Abimbola and Kocak (2007) and Bresciani and Eppler (2010). Furthermore, the owners of the start-up from Macedonia, as part from incubator recognize the fact they should 'live the brand' and the importance of branding as a paramount to success. In contrast, even though Swedish entrepreneurs have satisfactory level of financial resources for their research and development that are provided by various grants, they show little understanding, knowledge and appreciation to the branding area, which can reflect on their companies' success. This correlates and proves the third formulation of the "Swedish paradox" , which states that, although Sweden's R&D and innovation intensity is on a high level, this country has inefficiencies in transforming the R&D and innovation into growth and productivity (Andersson, Asplund & Henrekson, 2002) which contribute to poor economic performance, in general (Klofsten, 2002).

The contribution of this research to the theory can be found in the business incubator's literature, more specifically about the support of business incubators during the process of brand identity creation at start-up companies. Our research showed that business incubators in Macedonia and Sweden provide little or do not provide support during the branding process of these companies, respectively. Recognizing the fact that this area has not been exploited in the theoretical world, we believe that these results can serve as a starting point for developing a further knowledge

regarding this process in other different of similar types of companies, business incubators or countries.

The National Business Incubator Association has indicated that the main role of business incubators is to aid in the development of financially viable businesses that can influence lives on a large scale in the future (NBIA, 2013). It seems apparent that the communication of such companies is essential in reaching that large scale influence, alike the implementation of a branding strategy in reaching financial viability as proposed in the literature. However, it seems that the Swedish and Macedonian business incubators have not yet realized the importance of branding in reaching these goals and fulfilling one of the main roles as a business incubator.

7.2 PRACTICAL IMPLICATIONS AND RECOMMENDATIONS

INCUBATORS SHOULD INCREASE THEIR KNOWLEDGE AND SUPPORT FOR BRANDING ACTIVITIES

The position of both incubators is rather unenthusiastic concerning branding, in general. In our opinion, the rather negative position of the incubators towards branding influences the perception the entrepreneurs have concerning the potential branding activities could bring their businesses. Particularly in the case of start-ups that have a B2B business model combined with a high technological focus, the matter of creating a brand and positioning oneself in the market in relation to both customers and competitors is in danger of being lost out of sight. In a business to consumer context the value of branding is perceived to be slightly higher, but still as something which can be altered continuously throughout the development of the company.

The clear focus of both incubators generating revenue for its entrepreneurs whilst disregarding the importance of the creation of a strong brand can have some negative practical implications. Distinguishing the start-up brands from their competition and creating legitimacy concerning the quality of the products is a key benefit which the companies potentially miss out on (Aaker, 2007). Furthermore the lower price sensitivity which is connected to a credible brand is another competitive advantage that the entrepreneurs pass up on. Lastly, viewing a brand as something which can be altered continuously and has a low priority in the entrepreneurial process can hurt how recognizable the company is as a result of its efforts.

Nevertheless, indubitable is the fact that, incubators' support is essential for start-up companies. Without them and their support that consists of financial resources (Sweden), consulting services, office space at the lower cost and extended network of connections , the chances for survival, and not to mention success of start-ups on the market are significantly smaller, at least in the context of Macedonia. Regardless these types of support, we state that both incubators should develop a deeper understanding and knowledge regarding the power of branding. As proposed by Merrilees (2007), branding can be used in finding an increased focus which helps in distinguishing the brand from the competition and in finding focus on 'core values and key customers'. The support during the branding process can bring results not just for creating awareness and recognition in the environment about the start-ups, but will also have a positive impact on the incubator, in terms of attracting new investors who will put more resources in the incubator. This can be of great importance, especially for incubators that have difficulties with sustainability.

CONSIDER BRANDING AS AN INVESTMENT

It is essential for start-ups to increase their perception regarding branding. Branding is one of the most important strategies that need to be developed that will help companies attract customers and successfully position on the market. An authentic name, memorable and recognizable logo, clearly defined mission, vision, core values and documented idea from the start are prerequisites for starting a company that will stride on the road to success. Although we understand the fact that, start-ups are characterized with limited financial power, we encourage them to have a clear brand vision from the beginning and consider branding activities very seriously.

PR FOR BUILDING LONG RELATIONSHIPS AND TRUST WITH STAKEHOLDERS

Public relations are significant tool for building a brand, especially in B2B context. This branding activity can be used for reaching specific audiences in a rather different way than the paid media (Fill, 2009). Furthermore, the costs for this branding tool are relatively low, which can be very helpful, if we consider the limited financial power that start-ups have. Therefore, we suggest to start-ups to actively utilize this tool that provides great credibility, in order to present

their brand to their key stakeholders. Hence, PR can help in the process of building relationships with stakeholders that are of mutual value, primary in B2B context, with input, interaction and participation of the main members of the organization (the owners or marketers in start-ups) as critically important elements during this process (Bruning, Dials & Shirka, 2008).

8. CONCLUSION

Brand identity creation is a popular topic in the academic world and takes up an increasingly prominent role in practice. However, this area of research is mainly viewed from the perspective of large corporations, neglecting small and medium sized companies and particularly start-ups. The aim of this study has been to explore the creation of brand identity in start-ups that are a part of business incubators. In order to do so the following research questions have been addressed: *In what way do start-ups that are part of business incubators located in Macedonia and Sweden create and build their brand identity?* and *In what way do business incubators influence brand identity creation and building in startups that are located in Macedonia and Sweden?* The exploratory nature of this study is in line with the diverse sample which has been used, aiming to gain a better understanding of brand identity creation across rather dissimilar countries and across start-ups with different business models.

An important finding is that the perception of the relevance for creating a brand differs greatly amongst the start-ups. The Macedonian start-ups we analyzed were generally more convinced of the importance of branding, but seemed to lack the ability to act upon these convictions. In the Swedish start-ups we found a clear distinction between B2B and B2C focused companies, where the perceived relevance for branding in a business to business environment was perceived to be rather low. Arguably the most interesting finding of this study was the level of perceived relevance of branding in both business incubators. In the interviews with the staff-members of each business incubator, it became abundantly clear that branding of the start-ups is viewed a rather unimportant factor to their successful development.

This implies that incubator staff is either unaware of the literature which argues for the importance of branding in start-ups, or that the incubator staff does not believe in the importance. The interviews suggest that it is in fact a combination of these two explanations: no branding experts involved in the business incubators and a perception that financial viability of a start-up is unaffected by its branding efforts.

8.1 LIMITATIONS

A well-know problem that exists in the literature regarding qualitative research is the generalizability. The literature suggests that the scope of the findings of qualitative research is restricted (Bryman & Bell, 2011). Hence, if a research is based on semi-structured or unstructured interviews with not very big number of individuals from organizations, it is impossible to know whether or not the findings can be generalized in another environment. Similarly, since the size of our sample is not large, the findings of this research cannot be generalized to other settings. Nonetheless, the purpose of this research is to further expand the field of brand identity creation process in start-ups within different business environments and create supplementary knowledge to what has been previously done.

Another limitation was the subjective interpretation of the results that are obtained with this study. This limitation concerns the grading of the branding activities and support from business incubator, and the lack of tool or universal systematic guideline for interpreting and determining the relevance, brand creation and brand building more precisely. As an alternative, the results were interpreted according to our subjective understanding of the results regarding the level of activities that are implemented by the companies. However, within this context, our research was quite depended on our unsystematic views about what is significant and important, which is considered as another limitation to the qualitative research (Bryman & Bell, 2011).

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10. APPENDICES

10.1 APPENDIX I: INTERVIEW GUIDE COMPANIES

Introduction

Interviewee:

General questions:

Company name and website:	
Location	
Industry/Sector	
Number of employees	
Year of establishment	
Target market	
B2B or B2C	
Turnover in Euros	

Brand relevance

Perceived brand relevance

Perceived contribution of branding

Top-down branding approach

How important would you say *branding* is to your company?

Is your branding approach top-down?

Vision and mission/core values

What are your vision and mission?

Positioning

How do you position your brand?

Brand creation

Documented brand idea at start

Did you have a clear *brand identity* in mind when you started the company?

Name/logo professional choice

How did you come up with your company name?

Protected /™

Is your *brand name* protected?

More than one brand (brand portfolio)

How many branded products or services?

Brand extension

Do you offer multiple products or services that operate under the same *brand name*?

Claim

To what extent is your brand authentic?

Brand building

Brand building tools

Which tools do you use in order to communicate your *brand*:

- Advertising- low
- PR
- Events -
- Sponsoring -
- Internet domain -with same name
- Online marketing -
- Newsletter /
- Music/jingle -
- Videos -
- Uniforms/branded clothes - /
- Structured recruitment process -
- Internal communication rules/policies -
- Internal brand communication -
- Brand measurement (internal)

Advertising	
PR	
Events	
Sponsorships	
Internet domain with the same name	
Online marketing	
Newsletter	
Music/jingle	
Videos	
Uniforms/branded clothes	
Structured recruitment process	
Internal communication policies	
Internal brand communication	

Brand measurement (internal)	
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Business Incubator

Brand relevance

In what way did the *business incubator* stress the importance of creating and building a brand for your company?

Brand creation

How does the *business incubator* support you *brand creation*? Which resources are made available, and which activities organized by the *incubator* to do so?

- Financial resources
- Office space (free) - lower price
- Consulting expertise
- Extended network connections

Brand building

How does the *business incubator* support you *brand building*? Which resources are made available, and which activities organized by the *incubator* to do so?

- Financial resources
- Office space (free)
- Consulting expertise
- Extended network connections

In what ways does the *business incubator* promote/communicate your brand externally?

Conclusion

How valuable do you believe it is to be part of a business incubator when creating a *brand*?

10.2 APPENDIX II: INTERVIEW GUIDE INCUBATOR MANAGEMENT

Introduction

General questions:

- Incubator name and website
- Location
- Industry/sector (focus)
- Number of employees
- Year of establishment
- How many companies have undergone the process of incubation?
- Targeted market of incubated companies

- B2B or B2C companies
- Number of companies
- Total turnover in EUR mil
- How long does the incubating period last?

Incubator name and website:	
Location	
Type of incubator	
Number of employees	
Year of establishment	
Number of incubated companies since establishing	
Current number of companies	
Target market of incubated companies	
B2B or B2C companies	
Turnover in Euros	

Table 1. General information

ADDITION TO ALL QUESTIONS:

- IS THERE A DIFFERENCE BETWEEN VIRTUAL AND NON-VIRTUAL COMPANIES?
- IS THERE A DIFFERENCE BETWEEN B2B AND B2C?

Brand relevance

Perceived brand relevance

Perceived contribution of branding

Top-down branding approach

How important would you say *branding* is to a start-up? (or a company in the process of incubation)

Would you advise a top-down branding approach?

Vision and mission/core values -

Positioning

How important would you say it is to align the *vision, mission and core values* of a start-up with the *positioning* of the brand?

Brand creation

Documented brand idea at start

Does your business incubator advise its companies to have a clear *brand identity* in mind when they start the company?

Name/logo professional choice

Does your business incubator advise its companies to search help from professionals in creating a name/logo? /

Protected /™

Does your business incubator advise its companies to protect their *brand name*?

How does the business incubator support brand creation for startups? Which resources are made available, and which activities organized by the *incubator* to do so?

- *Financial resources*
- *Office space (free)*
- *Consulting expertise*
- *Extended network connections*

Brand building

Brand building tools

How does the *business incubator* support the companies in *brand building*? **Which resources are made available, and which activities organized by the *incubator* to do so?**

What about consulting services?

Which tools does your business incubator advise its companies to in order to communicate their *brand*:

- Advertising
-
- PR
- Events
- Sponsoring
- Internet domain with same name
- Online marketing
- Newsletter
- Music/jingle
- Videos
- Uniforms/branded clothes
- Structured recruitment process
- Internal communication rules/policies
- Internal brand communication
- Brand measurement (internal)

In what ways does the *business incubator* promote/communicate the brands externally?

Conclusion

How valuable do you believe it is to be part of a business incubator when creating a *brand*?

Do you think that this business incubator contributes enough and supports the companies in the process of creating a brand identity?