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CROWDFUNDING'S EFFECT ON BRAND IDENTITY

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Crowdfunding's effect on brand identity

Livia Bjurling, Tobias Hansson Ehres & Victor Ekstam

Abstract

Purpose: This study aims to explore if crowdfunding has an apparent effect on brand identity.

Design/Methodology/Approach: An explorative qualitative study has been conducted and to collect primary data, four focus groups in two different formats were used. To examine crowdfunding and brand identity secondary data has been collected through an extensive literature review. Furthermore, the Corporate Brand Identity Matrix was applied to the chosen case company, Uniti, who recently has conducted an extremely successful equity crowdfunding.

Findings: The findings from this research suggest that crowdfunding does not seem to affect brand identity in the case of Uniti. Although, crowdfunding might increase the awareness of the brand.

Research limitations: The generalizability of this paper is low, since only one case company was chosen and merely four focus groups conducted. To develop this pilot study, further research could be carried out by interviewing members of Uniti or other case companies. Crowdfunding's effect on brand identity in the long-term should also be studied.

Practical implications: Managers should investigate whether they want crowdfunding to be part of their corporate brand identity, since their crowdfunding campaigns might affect consumers' perception of the brand image.

Originality/value: This paper is the first of its kind since the relationship between crowdfunding and brand identity has not been studied from this perspective before.

Keywords: Crowdfunding, Brand Identity, Corporate Brand Identity Matrix, Uniti.

Type of paper: Research paper.

Introduction

The term crowdfunding has only during the last years truly entered the lexicons (Dix & Luzar, 2014). One of the most cited examples of crowdfunding is, however, not a modern one. Joseph Pulitzer took upon himself to utilise the most advanced channel of communication he had in 1884 – the printing press – to publicly collect funds to assemble the Statue of Liberty, which France donated to the United States (Best & Neiss, 2014). The campaign received a total amount of \$101 091, which is equivalent to almost \$6,3 million in today's dollar (Dix & Luzar, 2014).

The numbers of technological advances since the printing press are many. The need to raise capital for new business venture is nonetheless

unaffected. After the financial crisis in 2009 a number of entrepreneurial spirits who lacked sufficient funding successfully lobbied for a deregulation of American legislation on accreditation of investors for crowdfunding projects (Best & Neiss, 2014). This was the starting point for a surge of new crowdfunding platforms.

Crowdfunding campaigns have a wide array of possible purposes: to raise capital, promote a product, get market feedback, direct sales, idea generation and branding (Brown, Boon & Pitt, 2017). There is still a considerable research gap on the branding related aspects of the phenomenon although researchers Barbara (2015) and Brown, Boon and Pitt (2017) touch upon crowdfunding as a marketing and branding tool in recent studies. This can be seen as a result of crowdfunding's fast development (Strausz, 2017). The discussion

about market orientation and brand orientation has been ongoing over the last two decades (Urde, Baumgarth & Mereilees, 2011), the strategic value in brands is however undeniable (Melin, 2002). Companies with corporate brands are less equipped to handle branding than product brands, according to Urde (2013), who highlights brand identity as a central concept for this purpose.

The case company, Uniti, is in the early stages of developing a fully electric urban car (Uniti, 2017a). As a challenger in the car manufacturing industry, they are facing many complexities. Kapferer (2012) argues that brand identity is of great importance in the car industry as functional problems only can be solved in a limited number of ways, which is why customers often make their decisions based on identity rather than function. However, Uniti's aim is to reinvent sustainability in the automotive industry and the urban driving experience through complete car platform reconstruction (Uniti, 2017b). One of the company's first points of contact with the market was through a very successful crowdfunding campaign in 2016 (Uniti, 2016), which is why this study presents an initial investigation regarding if crowdfunding affects brand identity.

Literature review

Definition of crowdfunding

Professor Ethan Mollick (2014) defined crowdfunding as the attempts of entrepreneurial entities, profit or non-profit, "to fund their ventures by drawing on relatively small contributions from a relatively large number of individuals using the Internet, without standard financial intermediaries" (2014, p.2). According to Beaulieu, Sarker and Sarker (2015) the parties involved are usually referred to as the founders – the group or person behind the venture – and funders who are the large number of individuals filling the financial need of the founders. However, crowdfunding as phenomenon is not a new invention. "Crowdfunding is a new way to do

something old" (Best & Neiss, 2014, p.3). The phenomenon is very similar to how financing was made 5000 years ago in small communities, except for the major difference of using the Internet to simplify the fundraising (Best & Neiss, 2014).

According to Mollick (2014) four different relations between funders and founders in crowdfunding exist; donation, lending, reward-based and equity crowdfunding. The different contexts in which funders give money to the founders of a company have different characteristics and are exceedingly heterogeneous. In donation crowdfunding the founder expects nothing in return for their contribution, while in lending crowdfunding the funder expects some return on their investment, either financial or social (Mollick, 2014). Reward-base crowdfunding is the most common method, where the funder obtains a discount, a name credit or any other reward for funding (Mollick, 2014). He highlights that the funders, in some cases, are even treated as early customers who can access the product first. He continues to describe equity crowdfunding as the most regulated form where the funder receives shares in the company, early access to the subsequent IPO, shares of real estate investments or other arrangements. The general purpose of the different types of crowdfunding is nonetheless the same: to utilise the large number of individuals to raise funds.

The actual funding transaction is usually facilitated through one of many crowdfunding websites that has sprung up over the last couple of years (Beaulieu, Sarker & Sarker, 2015). The fundraiser may nonetheless also use its own channel to fundraising. The founder posts a description of their project on the crowdfunding website or their own channel but these are usually spread and discovered by funders through social media (Beaulieu, Sarker & Sarker, 2015). According to the aforementioned study by Mollick (2014) some of the most popular crowdfunding platforms apply an all-or-nothing model. In the cases where the sum of all funder pledges amount to less than the founders requested, the

entire campaign is closed and all pledges are repaid to the funders (Mollick, 2014).

Co-creation in Crowdfunding

In the process of crowdfunding, aspects of customer co-creation can be observed (Quero, Ventura & Kelleher, 2016). Vargo et al. (2010) describe the evolution of a logic dominated by service integration in intangible and processes interdependently creating value for consumers. In paradigmatic shifts, such as market orientation to brand orientation (Urde, Baumgarth & Mereilees, 2011), clashes between logics are common. However, according to Vargo et al. (2010), the co-creation concept is an extension of the value creation process where companies derive their value proposition based on customer wants and needs. This indicates a major shift in traditional marketing mind-sets from the mere production and distribution of goods to customer engagement (Vargo et al., 2010).

The European Commission's report on crowdfunding platform's sustainability concludes that "attracting the emotional interest of users, setting up channels of identification with a platform's core values and purposes and exploiting the capabilities of social networks, community and proximity" (Ramos, 2010, p. 63) are the fundamental features of crowdfunding. Central characteristics that facilitate co-creation are dialogue, creativity, collaboration and relationships (Roberts & Darler, 2017).

Credibility in crowdfunding

The success rate of crowdfunding campaigns is about 36 % on Kickstarter, the largest crowdfunding platform in the world (Statista, 2017a). Almost two out of three campaigns do not receive the pledged amount. Sweden had the largest numbers of successful national campaigns, across all platforms, during 2016 with a 26 % success rate (Statista, 2017b). Key aspects in successfully launching a crowdfunding campaign are trust and credibility, according to Stephens (2015). She claims that openness and honesty builds credibility. The difficulty in achieving trust

over the Internet can be illustrated by the fact that researchers have devised a formula for calculation of trust in e-environments: (credibility x reliability x intimacy)/self-interest (Gómez-Diago, 2015).

Strategic brand building

Zwilling (2013) illustrates the extreme growth in start-up activities over the last decade and that more entrepreneurs are finding satisfaction in aiming to make the world a better place. The author continues to argue that the world is now considered to be one single market and that the innovation ability of large companies has decreased. This in turn, allows start-ups to lead the path towards transforming consumer behaviour (Zwilling, 2013). As competition increases, so does the need to establish unique products that are linked to consumer needs (Kapferer, 2012). However, to build a brand that distinguishes a firm from its' competitors is even more important (Kapferer, 2012). Thus, in order to differentiate a company and to succeed in the market under high competitive conditions, strategic brand building can be seen as fundamental for the initial stages of the start-up.

The brand building process

Even if a new firm enters the market with a revolutionary innovation, building a strong brand takes time (Kapferer, 2012). Kapferer presents two ways of doing this: one is to go from product features and physical element to intangible values, whereas the other one goes from values to product. Thus, the first route focus on functional parts and the second are emphasizing emotional aspects (Kapferer, 2012). Most new brands are initially recognized by their innovative concept (Kapferer, 2012), and through time they create brand awareness (Kapferer, 2012; Urde, 2003). Once the brand becomes known and liked by a range of people, it forms a relationship with consumers, gains the ability to influence buyers and with time the brand name also acquires status, trust and awareness (Kapferer, 2012).

Moreover, Kapferer (2012) argues that positioning is an important part of brand building. Positioning is constructed by identifying direct competition and to describe the target audience. Thereby, it includes distinctive characteristics that differentiate the brand from competitors and makes it appealing to the public (Kapferer, 2012). Thus, the image of the brand can effectively be communicated through positioning and also through the core values (Urde, 2003). He states that the role of the core values in the brand building process is more enduring than the ones of positioning. Furthermore, he argues that this is because the core values are firmly integrated in the organisations value foundations and that they are the theme of the corporate communication under the brand building process. The core values can be interpreted, coded and communicated by the sender and when decoded, the receiver creates an image of the brand (Urde, 2003). Thus, the communication is expressing and translating core values into messages that appeal to consumers according to Urde (2003). He continues to argue that over time, successful communications results in the brand acquiring a meaning that aligns with its brand identity.

Brand building through crowdfunding

As mentioned above, crowdfunding is a way for companies to fund their ventures via the Internet by acquiring relatively small investments from a large number of individuals but not using standard financial intermediaries (Mollick, 2014). Crowdfunding is not merely a financing instrument, but also a tool to calculate consumer needs. This enables the firm to receive valuable consumer input during the creation, development and launching of their products, which in turn creates a product consumers want and need (Barbara, 2015). Barbara (2015) argues that crowdfunding can significantly change the market presence of an entirely new entrepreneurial entity.

There are several ways in which an entrepreneur can connect to their audience and use crowdfunding for brand building. Barbara

(2015) argues that the entrepreneur should create word of mouth about their brand in the pre-production phase of a product. By having their initial community to share the product's page the firm can attract more consumers and simultaneously build the brand. In the pre-launch stage, it is also of importance to provide business investors with a solid business plan and expertise within the field (Barbara, 2015). Thereby, companies can convince consumers about the brand's profitability potential. The firm should also inform the public about the underlying motives for the creation of the product and create urgency for people to support the project. In this way, Barbara (2015) states that the firm can influence the investor in such a way that they will fund on their brand instead of competitor's.

Moreover, crowdfunding generates brand awareness as the investors who crowdfunded and participated in the development of the project becomes potential brand ambassadors (Barbara, 2015). Thus, they will be the ones that eventually buy, use and recommend it to others (Barbara, 2015). When the brand in this way becomes known it can gain the ability to influence buyers and acquire more trust and status among the public (Kapferer, 2012).

Definition of brand identity

The creation of products under a certain brand name is driven by a vision that includes core values and key messages that a firm wants to communicate to its customers. This vision is known as the brand identity (Kapferer, 2012) and can be viewed as an interaction between vision, organisational culture and employees (Tarnovskaya et al., 2008). According to Cătălin Milhail (2016, p.180) "brand identity can be defined as that set of strong brand associations that have passed the test of time and that capture the essence of a brand". It is therefore important that the firm's products align with their communication; otherwise consumers will not correctly perceive the brand and the common vision (Kapferer, 2012). According to Kapferer (2012) graphic identity characters, such as colours, slogans

and graphic design, define the norms for the brand's visual recognition and is therefore an important step in communicating the identity. How customers actually perceive the brand and how they respond to its marketing activities result from the brand's core substance and intrinsic identity. Therefore, it is of high importance that the brand's deepest values are reflected in the external signs that are visible to consumers (He et al., 2016; Kapferer, 2012).

The identity is on the sender's side (Kapferer, 2012) and originates from the organisation's long-term strategy. The objective is to ensure consistency over time in order to not confuse the consumers of what the brand stands for (Aaker, 1996). Brand identity refers to the distinctive, central and relatively enduring characteristics of the organisation, such as brand personality, the culture the brand creates and product features (Cătălin Milhail, 2016; He et al., 2016). According to Cătălin Milhail (2016) and He et al. (2016), identity is continually built during interaction with stakeholders and through adaptation to their interests. Since brands are living systems, the identity defines which aspects are free to be adjusted in order to cope with competition and which must stay the same (Kapferer, 2012).

The reflection of the brand identity in the market creates the brand image; that is how consumers perceive the brand depending on how they decode the signals from products and communication (Cătălin Milhail, 2016; Kapferer, 2012). Thus, it is crucial that the company knows exactly what identity it wants to convey before actually projecting an image to the public (Kapferer, 2012). To last over time a firm needs to have a sustainable identity that will not create periodic images, affected by fashion trends (Cătălin Milhail, 2016; Urde, 1999). According to Cătălin Milhail (2016) two of the main purposes for brands emphasising their identities are to sell more and to have a desirable image. Furthermore, the author argues that even if the consumers cannot or does not want to purchase the product at a particular moment, a firm should still strive to have a favourable

image among customers. When a brand is perceived as more prestigious and distinctive it tends to have a strong and attractive identity (He et al., 2016). In addition, consumers are more likely to find a brand more attractive when they believe the brand identity is congruent with their personal identity and values (He et al., 2016).

Due to the constant technology development and organisation's increasing incentives to innovate, new standards are constantly developing and other brands need to catch up. This in turn, leads to an increasing number of similar products (Kapferer, 2012). Kapferer (2012) argues that this phenomenon can be found in the car industry where there are a limited number of solutions to the same problems. For such products, it is more often the brand identity, than the actual product, that distinguishes the brand from others (Kapferer, 2012). Thus, the identity is essential in order to distinguish one company from another and the brand is the tool a firm uses to manage the identity (Cătălin Milhail, 2016; Kapferer, 2012).

The Corporate Brand Identity Matrix

Professor Mats Urde has through extensive research developed a framework, which is a professional tool for management groups to help organisations define its corporate brand identity and align organisational elements (Urde, 2013). He states that management groups lack a framework that can assist in this process, opposed to product managers who are well-equipped with thoroughly tested frameworks.

Urde's (2013) framework consists of nine different elements and is divided into three horizontal components, which are illustrated in Figure 1. He argues that 'competences', 'culture' and the organisation's 'mission and vision' are the characteristics describing the internal component. He further describes the characteristics 'position', 'relationships' and 'value proposition' as the external component of an organisation. In the midsection of the framework he places elements that are perceived as both internal and external,

starting with the organisation's 'personality'. On the other side of this component he places the 'expression' element and in the core of the framework is the core values.

The arrows, starting from the core of the framework, visualises that the elements are interrelated and together it forms the entity of the organisation according to Urde (2013). He argues that all elements are interrelated to each other in order to define the corporate brand identity. Furthermore, he explains that the division into internal, external and internal/external components of the framework allows organisations to adapt to all relevant stakeholders and that the CBIM is applicable for both brand-oriented and market-oriented approaches.

Internal elements

Urde (2013) explains that the internal elements of the CBIM refer to the organisation's values and realities. He states that an organisation's 'mission and vision' should define what engages the organisation, despite from being profitable. He also clarifies that 'culture' defines the organisation's attitude and way of functioning, and that 'competences' are the qualities that differentiate an organisation from its competitors.

External elements

Urde (2013) explains how the top row of the matrix refers to how an organisation would like customers and stakeholders to perceive the brand of the corporation, and the elements in this component affect the brand image as a whole. He also discusses the importance of how these elements must be well aligned with expectations of all stakeholders and target groups. He describes 'value proposition' as way in which the organisation's key offerings appeal to all kinds of stakeholders and 'position' as how the organisation is positioned in the market, in the minds of all stakeholders. Lastly, 'relationships' refers to the connection between a corporation and its stakeholders and he highlights that various kinds of relations with both customers and non-customers may affect each other in the long term.

Internal/External elements

Urde (2013) explains that this component ties the external and internal component together. He argues that 'personality' creates the corporate character considering different qualities and characteristics in an organisation through its employees. He further claims that that 'expression' is to what extent an organisation is recognisable due to unique communication and that 'brand core' relates to the brand promise and core values.

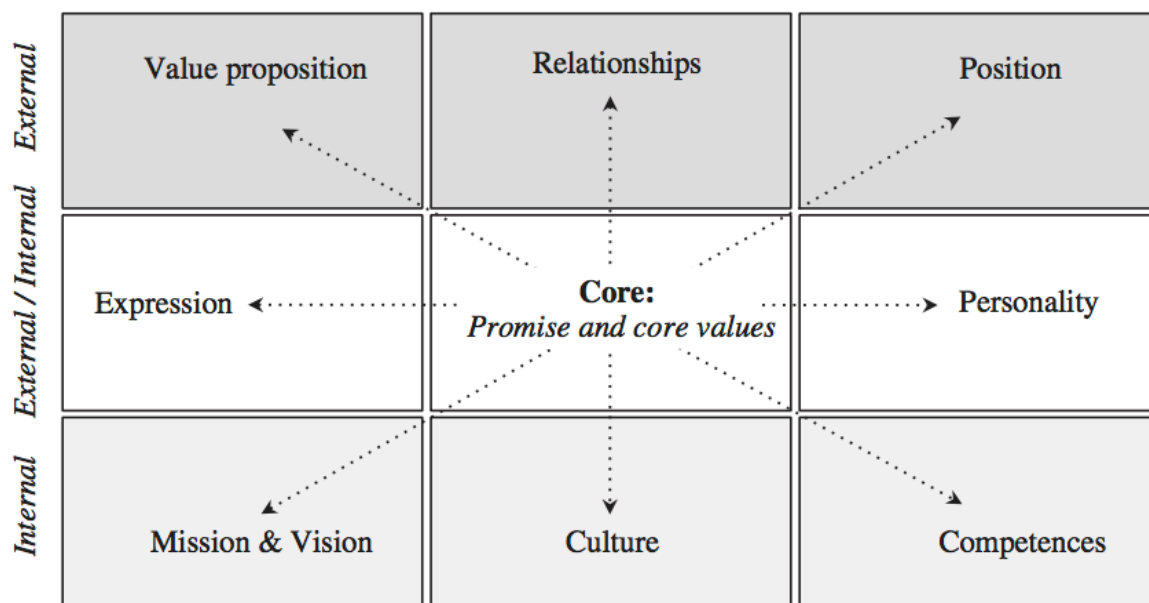


Figure 1: The Corporate Brand Identity Matrix (Urde, 2013).

Methodology

The aim of this paper is to investigate if crowdfunding has an apparent effect on brand identity and in which element in the Corporate Brand Identity Matrix it, in that case, is evident. Since the relationship between these two concepts have not been studied before, an in-depth theoretical review of the aspects of brand identity and the crowdfunding phenomenon as well as strategic brand building has been made in the previous chapter. In reference to the aim of the study, this article has an exploratory nature, as it seeks to assess the phenomena of crowdfunding in relation to brand identity in a new light (Saunders et al., 2009). Moreover, the paper is analysing specific parts of the theory to test the applicability of crowdfunding as part of corporate brand identity in a broader sense, using a case study and qualitative research (Saunders et al., 2009). Therefore, the study has an inductive nature, which is also combined with some elements of the deductive approach (Saunders et al., 2009).

To further examine crowdfunding and brand identity a case company was chosen. According to Saunders et al. (2009) this is a preferable approach when the research is exploratory and the goal is to gain deep understanding of the research context and the processes studied. Using this strategy facilitates the generation of answers to 'why', 'how' and 'what' questions (Saunders et al., 2009). Yin (2014) argues that a use of multiple case companies is preferable to generalise from findings, but since this paper focuses on assessing a phenomenon from a new perspective a single case company has been used. Using a single case company is appropriate if it gives the researcher an opportunity to analyse a phenomenon that has not earlier been exposed to extensive research (Saunders et al., 2009).

The Swedish start-up Uniti was chosen as the case company for this paper since they have concluded one remarkable equity crowdfunding, which exceeded expectations

by far (FundedByMe, 2016). They are currently conducting a second campaign (Uniti, 2017a). Uniti describes that their choice of crowdfunding depends on the start-up having an "open company that relies on constant exchange of opinion with the public" (Uniti, 2017a). They also believe that "our people, our culture and our brand is what makes us special" (Uniti, 2017e). Thus, their choice of using crowdfunding as a financing tool can be linked to their corporate brand identity (Tarnovskaya et al., 2008; Urde 2013), which makes Uniti a relevant case company for this study.

Focus groups

Primary data needed to be collected in order to create an understanding regarding the relationship between crowdfunding and Uniti's brand identity. This was achieved by conducting focus groups, which is a useful method when seeking understanding for how certain groups of individuals perceive a phenomenon (Easterby-Smith, Thorpe & Jackson, 2015). Focus groups are ideal for producing insightful self-disclosure that may be hidden when conducting one-on-one interviews (Tracy, 2013). Since focus groups effectively can explore emotional experience (Tracy, 2013), it was regarded as the most appropriate approach to collect primary data in this study.

In total, four focus groups in two different formats were conducted, with three participants in each group. Two of the groups (Group A & B) were presented with a template of the Corporate Brand Identity Prism, whereas the others were not (Group 1 & 2). The focus groups were conducted in two different formats in order to investigate whether there was a difference in their perception on crowdfunding's effect on brand identity, if first presented with the Corporate Brand Identity Prism Before the discussion was initiated, each group was presented with an eight minute long video about Uniti's equity crowdfunding campaign 2017 (Uniti, 2017f). According to Easterby-Smith et al. (2015), the moderator's skills for initiating and

facilitating discussion are of importance in focus groups. Therefore, the same moderator was used for each group. The interview was managed by the use of a topic guide (Easterby-Smith et al., 2015), which contained questions recommended by Urde (2013). These questions are considered to incorporate the main theme of each element in the Corporate Brand Identity Matrix (Urde, 2013). Group A and B were asked to individually write their opinions of Uniti regarding the different elements of the matrix before a further discussion was initiated. Group 1 and 2 were instructed to start a discussion directly after viewing the crowdfunding campaign. The topic guide is attached as Appendix 1.

Since this study aims to explore the effect of a phenomenon through a certain theory, rather than to find generalisations about a specific population, a non-probability sample was used for finding participants to the focus groups (Saunders, Lewis & Thornhill, 2009). Furthermore, a self-selection sample was chosen because it is considered to be appropriate for research with exploratory nature (Saunders et al., 2009). The likelihood for such samples to be representative is rather low, but since the purpose of this paper not is to generalise the results to a certain population, rather to explore a phenomenon from a new perspective, this sampling technique was considered suitable (Saunders et al., 2009).



Figure 2: Uniti's promotional illustration (Uniti, 2017b).

Case Analysis

Case Overview – Uniti

Uniti is an electric car start-up company founded 2016 in Sweden (Uniti, 2017a). The idea for the company grew from an open innovation research project at Lund University aspiring to improve the environmental and social impacts of modern cars (Uniti, 2017a). Uniti aims to reinvent not only the automotive industry sustainability but the entire urban driving experience as well (Uniti, 2017b). The first prototype is scheduled to be unveiled during the 4th quarter of 2017 and full-scale production is planned for 2019 (Uniti, 2017c).

Uniti launched its first equity crowdfunding campaign on the FundedByMe platform in October 2016 (Uniti, 2016). The campaign's target funding was €500 000, approximately SEK 4,8 million, for 5,1 % of the company's equity (FundedByMe, 2016). The campaign ended with 569 funders and €1,2 million, equivalent to SEK 11,8 million (FundedByMe, 2016). In September 2017 the second equity crowdfunding campaign launch from Uniti's own webpage (Uniti, 2017a). Although the campaign is still active, it has generated almost SEK 14 million or €1,5 million, as of October 19 2017 (Uniti, 2017a). According to Uniti, the reason for using crowdfunding as financing tool is because they are "an open company that relies on a constant exchange of opinion with the public as we design and build a product for the masses" (Uniti, 2017a). The target group for Uniti are medium to high-income millennials but can be extended to individuals with a technical interest (2017a). According to Uniti (2017d) it is "our team and company culture that makes us special" since the brand is made up of "real, authentic, passionate people".

Case results

As mentioned earlier, the elements of the Corporate Brand Identity Matrix are now discussed through the empirical data collected in focus groups regarding the Uniti case. The following analysis is divided based on the three components of the matrix: external,

internal and internal/external. Also, another section further clarifies the case analysis through empirical data regarding crowdfunding and brand identity.

Internal

Urde (2013) claims that the internal component of the CBIM, the sender's side (Kapferer, 2012), relates to the organisation's realities of culture and influences corporate brand identity. The identity originates from the long-term strategy according to Kapferer (2012) and as stated by Group B (Interview October 10, 2017) "the mission and vision of Uniti is to change the world and to be the best option for car transportation" and that the brand embodies this vision by offering "a solution for the world, rather than a solution for the customer". Uniti has effectively transferred the focus from the product to the company brand and its vision (Urde, Baumgarth & Mereilees, 2011). Furthermore, Group 2 (Interview October 11, 2017) also elaborated on Uniti's will to "be a part of the solution and not the problem" as a vision.

According to Tarnovskaya et al. (2008) essential components of brand identity is the organisation's culture and employees, and Uniti (2017d) claims that it is "our team and company culture that makes us special". The focus groups perceived Uniti's culture as open minded with low hierarchy, where employees work as a united team with focus on future solutions (Group A & B, Interviews October 10, 2017; Group 1 & 2, Interviews October 11). Additionally, Group A (Interview October 10, 2017) view Uniti's competences primarily as questioning existing models of building cars through new innovative technology which enables them to utilise a differentiated business model regarding the solution they want to develop and introduce to the market.

External

Uniti's value proposition and brand essence (Kapferer, 2012; Cătălin Milhail, 2016) was perceived to be very environmentally focused. "Uniti try to create a better world and environment" (Group A & B, Interviews

October 10, 2017; Group 1 & 2, Interviews October 11) while at the same time defining "a new lifestyle and solution" through the brand (Group 1, Interview October 11, 2017). The influence on lifestyle choices by Uniti can be seen as the idea of emotional interest in crowdfunding campaigns presented by Ramos (2010). The relationship between the brand and other stakeholders was based on a mutual responsibility for the environment (Group 2, Interview October 11, 2017). Value co-creation in the crowdfunding, as described by Quero, Ventura and Kelleher (2016), is also an integrated part of Uniti's stakeholder relationship and market position, due to the fact that Uniti only through funding can improve the environment. The value proposition of Uniti is interrelated with the relationship created with the customer, as the proposition is only achievable through the relationship and collaboration (Roberts & Darler, 2017). Without recognising the mutual responsibility in the relationship is the value proposition not viable.

Internal/External

The centre component of the matrix, which are both internal and external, can be seen as bridging the gap between the organisation and the stakeholders (Urde, 2013). Uniti was perceived to be "inclusive and transparent in relation to the crowd" (Group 1, Interview October 11, 2017) through the market communication. The emphasis is on what will be achievable rather than what currently is achieved (Group 2, Interview October 11, 2017). This could be a result of both efficient communication of the company vision and the fact that Uniti still is in the early stages of product development. According to Uniti (2017a) the transparency is a way of adapting to consumers. Transparency is also of significant importance to potential investors in new business venture, in order to build credibility (Gomez-Diago, 2015).

Uniti's core values were perceived unanimously as "improving the environment and the world" (Group A & B, Interviews October 10, 2017; Group 1 & 2, Interviews

October 11), which Zwilling (2013) also argues that start-up does. Uniti aims to improve the car industry’s sustainability as well as the user experience (Uniti, 2017b), the latter was not mentioned as a core value. However, when discussing the personality traits of Uniti “technical experts”, “transparent” and “youthful” were used to describe the brand (Group A & B, Interviews October 10, 2017; Group 1 & 2, Interviews October 11). This is equivalent to how Uniti’s defines its target group (2017a), which arguably, is representing an efficient incorporation of target group characteristics into the company expressions and personality (He et al., 2016).

Crowdfunding and brand identity

The first part of the case analysis, examining the internal, internal/external and external components of the CBIM, did not implicate any clear signs of crowdfunding affecting Uniti’s brand identity due to the fact that crowdfunding never was explicitly mentioned during the focus group sessions. Considering that the respondents in the focus groups did not have any previous knowledge about the matrix in combination with possible inadequate interviewing techniques might constitute contributing factors to the implied connection between the two concepts.

However, the focus groups were in the end of each session asked to elaborate on specific questions regarding Uniti’s choice of funding through crowdfunding, how it may affect their perception of Uniti’s brand identity and further pros and cons with crowdfunding as an investment strategy in general.

Firstly, all the focus groups had mostly positive attitudes towards crowdfunding and consider it to be smart of Uniti to fund through crowdfunding since it could attract the “right kind of investors needed in their business” (Group 2, Interview October 11, 2017), referring to the aim of the company to improve the environment rather than to profit on it. Funders that actually choose to invest are enlightened by the brands operations, since Uniti obviously are interacting and acting according to the stakeholders’ interests (Cătălin Milhail, 2016; He et al., 2016).

Group 1 (Interview October 11, 2017) stated that they primarily see advantages of funding through crowdfunding since it is more inclusive to engage stakeholders in the process. Despite understanding the uncertainty of crowdfunding, the group also argue that there might be long term benefits, meaning the reach of target groups through brand awareness, which Barabara (2015) also discusses.

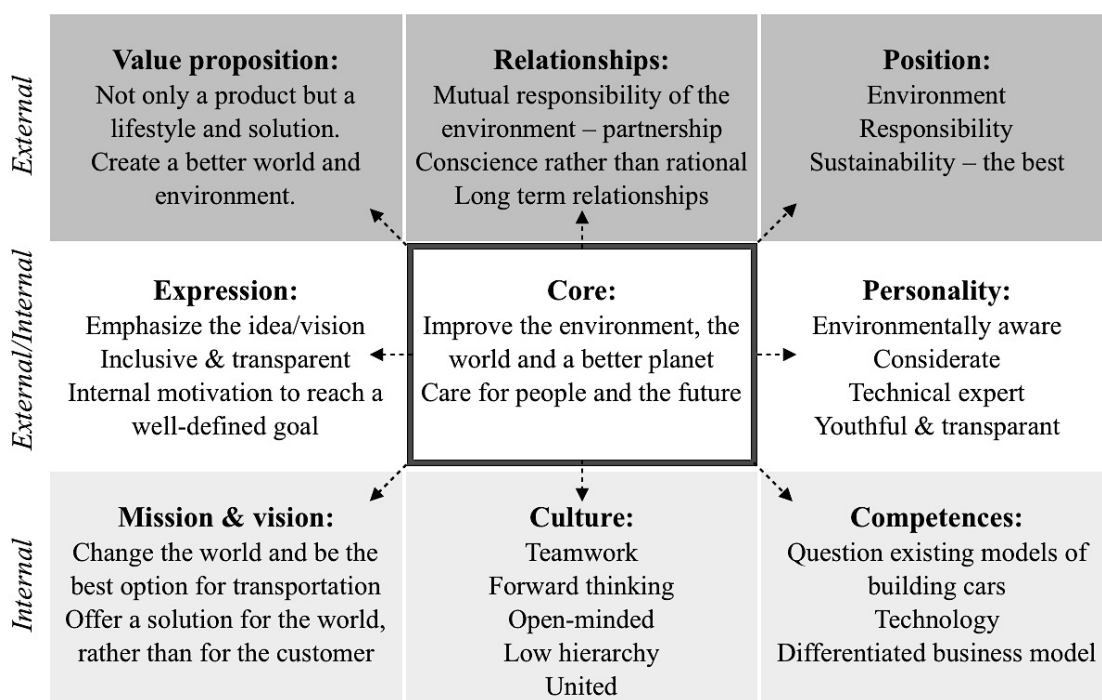


Figure 3: CBIM for Uniti, derived from focus groups.

Group 2 (Interview October 11, 2017) stated that Uniti has made the right choice in using crowdfunding as investment strategy since they perceive it to be “modern” and to “align well with the brand” of Uniti. Also, crowdfunding engages many stakeholders (Group 2, Interview October 11, 2017), which it is all about according to Mollick (2014) and connects with Urde’s (2013) point that all ‘relations’ subsequently might affect other stakeholders. This may in turn create a positive word-of-mouth from funders to other stakeholders (Barbara, 2015), such as potential customers.

However, one focus group clearly argued that Uniti’s crowdfunding operations does not affect their perception of the brand identity or the brand as a whole (Group 1, Interview October 11, 2017). Running the on-going crowdfunding campaign on their own website instead of on external platforms, allows Uniti to be perceived as a “trustful” actor according to the respondents (Group 1, Interview October 11, 2017; Group A, Interview October 10, 2017). It also “shows confidence in their ability to market their product” according to Group 2 (Interview October 11, 2017). Similarly, this may be related to Stephens (2015) argumentation regarding key aspects of crowdfunding, where trust and credibility is essential for a successful campaign, which Uniti seems to have accomplished.

To summarise, the focus groups elaborated and reflected more on how crowdfunding might affect Uniti’s brand identity when the moderator touched upon both concepts simultaneously in the discussion. The focus group respondents had difficulties defining where crowdfunding should be applied in the CBIM when talking about Uniti’s corporate brand identity and, as mentioned, did not mention crowdfunding as a part of the identity. No apparent discrepancies were found between the groups presented with the CBIM and the groups that were unaware of the matrix.

Conclusions

This pilot study, researching if crowdfunding affects brand identity, may provide opportunities for future and more extensive research regarding the topic of this paper. Based on this research it can be concluded that the focus groups did not consider crowdfunding, like Mollick (2014) defines it, to affect the brand identity in the Uniti case. The respondents did not explicitly define crowdfunding as phenomenon in any of the elements or components in the CBIM developed by Urde (2013), even though they found the investment strategy to align well with the brand. However, the authors are able to identify facets related to crowdfunding and the matrix in certain discussions. The fact that the focus groups mentioned mutual responsibility of the environment in the ‘relationships’ element, enables the authors to interpret that Uniti’s crowdfunding campaign forms co-creation through relations and collaboration (Roberts & Darler, 2017) in order to derive a value proposition based on stakeholders wants and needs (Quero, Ventura & Kelleher, 2016; Urde, 2013). Based on elaborations by the focus groups, the authors can also conclude that crowdfunding is perceived to possibly improve the brand awareness which Barbara (2015) also argues that crowdfunding campaigns generates through a strong word of mouth effect.

To summarise, the theoretical implication of this research is that crowdfunding might not affect the brand identity in the Uniti case, but it may improve the awareness of the brand. This is visualised in Figure 4 below, provided by the authors.

Managerial implications

Considering the conclusions presented above, managers of crowdfunding companies should investigate and reflect upon whether they would prefer crowdfunding to be defined in their corporate brand identity or not. This is due to the possibility that their crowdfunding campaigns may affect the brand image. In the case of Uniti, which operates in the car industry, it is of high importance that the

management group knows on what identity they want to distinguish the brand with before projecting an image (Kapferer, 2012), which the external component in the CBIM generates to the public (Urde, 2013).

The authors believe crowdfunding mainly might impact the external and internal/external components of the CBIM, meaning the ‘core’, ‘value proposition’ and ‘position’ elements. This is due to the fact that respondents argued that crowdfunding is well aligned with the Uniti brand, as well as crowdfunding might form a legacy which positions Uniti in the minds and hearts of the stakeholders, which Urde (2013) also discusses. Based on this, the authors would like to present the idea that the Uniti brand is well aligned with crowdfunding strategy, rather than the crowdfunding campaign affecting the brand identity in the Uniti case.

When management groups have investigated this, they should take actions related to their decision, in order to utilise the branding aspects of crowdfunding properly.

Limitations and future research

Potential limitations of this research might firstly be the fact that the timeframe of the conducted work was quite short which makes the authors perceive this paper as a pilot study preparing for more profound research on the topic. Secondly, the authors also had a limited sample of respondents in the focus group, which might have caused an inaccurate result.

Moreover, the choice of methodology and fact that the respondents were not aware about Uniti, the CBIM or crowdfunding from before could also have affected the research. The authors recommend others to further develop this pilot study, where one course of action could be to interview Uniti and the members of the organisation. This research could also be examined on other case companies. Lastly, further research on how crowdfunding affecting the brand identity of an organisation in the long term could be done.

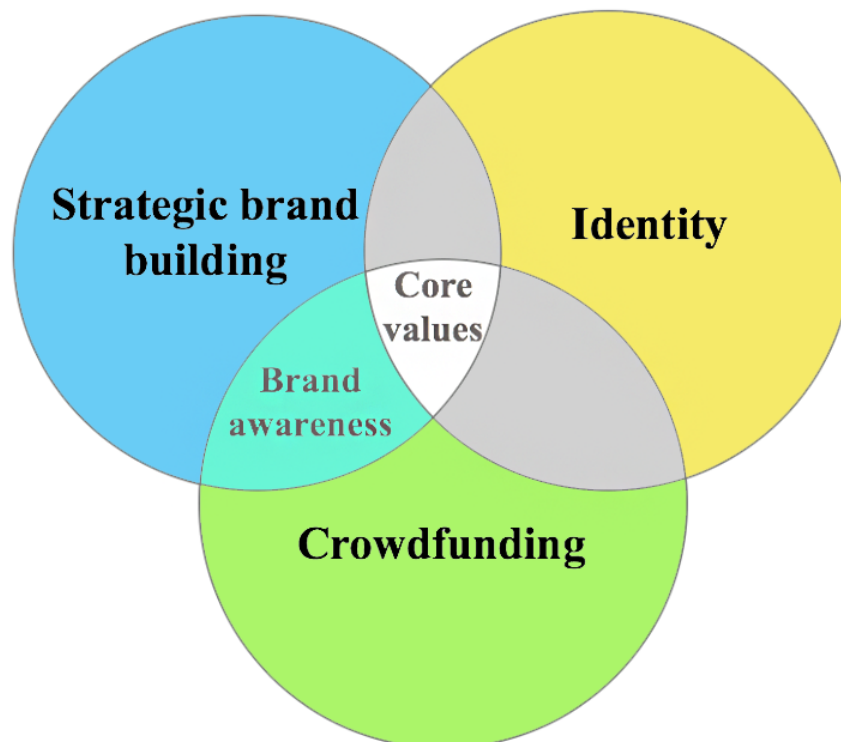


Figure 4: Illustration of interrelated conclusions.

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Appendix 1

Focus Group Questionnaire

Based on questions presented by Urde (2013).

1. Do you know Uniti? What do you know about Uniti? What is your image of the company/brand?

Show the movie: https://www.youtube.com/watch?v=QPKF4Fs_4uQ&t=43s

2. What is your impression of Uniti after watching the ad?
3. What key message/messages do you believe the company wants to project through the ad?
4. What core values do Uniti promise? What does the brand stand for?
5. What is unique about Uniti and how they express themselves?
6. If you imagine Uniti to be a person, what kind of characteristics or qualities would it have?
7. What engages Uniti? What is their direction and inspiration despite of the simple aim of making money?
8. What is Uniti's attitude? How do they work and behave?
9. Which specific competences would you say that Uniti has? What are they particularly good at and what makes them better than other competitors?
10. What are Uniti offering and how do they try to appeal to you?
11. How is Uniti trying to position themselves in the consumers' minds and hearts? What soft and hard values are they trying to convince you of?
12. What do you think of Crowdfunding as an option to finance a firm?
13. What do you think are the pros and cons of using Crowdfunding?
14. What do you think of Uniti's choice of financing their firm through Crowdfunding?
15. Does it affect your perception of their business? How? Why?
16. Now, Uniti has chosen to drive their own Crowdfunding campaign instead of doing it through an external site. What does this say to you? Does this change your perception of Uniti?