Taking the Pole Position

Towards a Holistic Positioning Approach

by

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Abstract

Title:	Taking the Pole Position – Towards a Holistic Positioning Approach
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Authors:	Dominykas Vidžiūnas and Sebastian van Dijkman
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Keywords:	Positioning, holistic positioning, strategic orientations.
Purpose:	The purpose is to integrate different positioning concepts and theories into one framework with the aim to develop a holistic positioning approach.
Theoretical basis:	Positioning, brand- and market orientation, brand identity, resource-based view, brand heritage, and the blue ocean strategy are bases for our research.
Methodology:	A qualitative single case study with a constructionistic view and an abductive approach has been executed. The case company is an up-and-coming Swedish electric vehicle brand Polestar.
Empirical data:	The case consists of data from six presentations and unstructured interviews with Polestar managers, one unstructured interview with a Polestar customer-facing employee, observations from three guided tours, and secondary data including company reports, press releases, industry reports, academic articles, news articles, and other online resources.
Conclusions:	Our holistic positioning framework consists of five parts – Competition, Market Demand, Brand Identity, Heritage, and Resources and Competences. The Pole Position is defined to be an optimal position in the market, in which all the different elements of the framework overlap with each other.

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1 Introduction

In this chapter, we present the three research fields that this thesis aims to extend – brand identity, positioning, and strategic orientations. After, the purpose of the research is presented, including the specific research questions. This is followed by the limitations and potential contributions of this research both from the theoretical and practical perspectives. Finally, this chapter is concluded by outlining the structure of the rest of the thesis.

1.1 Background and problematization

The pole position is a term used in motorsports that refers to the starting position at the front of the race. Typically, this position is taken by the driver with the fastest qualifying time, and it's the most beneficial position to be in. In the business world, it is not so different. Whether they are aware of it or not, all firms have a certain position in the market, and one of those could also be referred to as the pole position. Kapferer (2012) defines brand positioning to be the emphasis on specific characteristics that make a brand different from others, as well as appealing to the customer. The author further notes that no firm exists in a vacuum – all choices are comparative, and a firm's position is the space it takes in relation to other businesses. For example, some firms are seen as leading, while others are following; some are labelled as cheap, others as more luxurious; performing well, or showcasing lacklustre results. The position of a firm has the potential to make or break it, as the position of a business communicates a purchasing rationale to its customers (Kapferer, 2012), and can act as "the start of product or service innovation, design strategy, employee motivation, and the entire communication and image-building process" (Urde & Koch, 2014). It is natural then, that firms that have well-defined positions that are better suited to take advantage of current and future trends and market shifts will do better than firms who occupy undefined positions or are static in nature. Yet, a process that holds this much weight is by no means as simple as just picking a random position and claiming that it is an accurate reflection of the business.

While positioning is indeed more complicated than that, in order to position themselves, firms "only" really have to answer the questions of *where* and *how* they will compete (Urde & Koch, 2014). While it is technically the truth, in reality this process is susceptible to being misinterpreted

due to improper execution or interference from external factors (Kapferer, 2012), making it not only time consuming, but also more complex. Furthermore, it is a process in which it may be difficult to change and rectify any mistakes. However, despite a wide surface-level understanding of positioning as a concept and its potential impact on the business, positioning is rarely understood in-depth by managers, largely because of its vagueness and many meanings (Urde & Koch, 2014). While it is a field that has attracted a fair amount of scholarly attention resulting in many proposed frameworks, Urde and Koch (2014) argue that the problem lies within managers not being able to choose the right approach and select the "right tool" for the process. Indeed, in the same article the authors present five different approaches to the process.

One of the obstacles in choosing the right approach is the uniqueness of each situation – understanding not only the firm itself, but also the market and its nuances is at the core of positioning, and it is fair to say that no two situations are ever quite the same. Additionally, it is a process consisting of multiple layers, each with their own separate set of principles and frameworks. For example, defined by Noble, Sinha and Kumar (2002) as being "the guiding principles that influence a firm's marketing and strategy-making activities", the concept of strategic orientation essentially aims to define what principle leads the decision-making process when positioning. Urde, Baumgarth and Merrilees (2011) alone identify four different strategic orientations with other researchers proposing many more, while Urde and Koch (2014) present five ways to approach the process itself. Additionally, one cannot forget the competition in the market – after all, the market is not limited to one firm. Some of the most prominent business theories, such as the blue ocean strategy (Kim & Mauborgne, 2005) or Porter's generic strategies (Porter, 1985) are concerned with strategy formulation through analysing the competitive frame within which the firm resides. However, it is not only the external environment and its effects that have to be addressed. The interior workings of a company must not be forgotten, yet the concept of positioning might seem so naturally outward-looking that this not always is accomplished by the management (Urde & Koch, 2014). Kapferer (2012), for example, finds that positioning cannot be discussed without the concept of brand identity, which comes with its own plethora of frameworks and nuances. It is also important to not forget that the term "most attractive position" is relative; a position that is unattractive for someone, could in fact be well-suited for someone else. It is therefore impossible to cut corners by blindly following the market leaders or relying on someone else's due diligence.

Quite recently, the whole plethora of these issues and difficulties have been torturing Polestar – a Swedish electric vehicle (EV) manufacturer. Being a subsidiary of Volvo and Zhejiang Geely Holding, Polestar has already released two car models – the Polestar 1, and Polestar 2. However, being a newcomer in an extremely competitive market that is typically much more enclosed to new entrants, the company is yet to solidify a definite position in the minds of consumers. And with Tesla spearheading the market, the competition is becoming almost suffocatingly intense, leaving no room for error - countless EV start-ups in China alone are aiming for a piece of the pie, not to even mention the incumbent automakers such as Volkswagen, Mercedes and BMW also entering the market space. Polestar must establish itself as a household name as quickly as it can before incumbent firms shut the market out completely. Additionally, not the least of its worries is the fact that the company intends to enter the stock market in 2022 (Polestar, 2021a). This means that the firm will (and already is) under constant scrutiny from investors and the financial markets, making the next few months or years absolutely vital for its long-term survival.

We, the two authors of this thesis, originally became aware of this live case when it was presented during one of the courses in our master's degree program. It was then discussed in an academic setting among our peers; however, after having taken a deeper look into the case, it became apparent that the well-established positioning frameworks are not well-rounded enough to explain why Polestar has reached its current position, and whether there is an optimal position that the company could be in. Using different tools perhaps even hindered the process, as different conclusions could be drawn from each one. Therefore, considering the complicated nature of positioning as a process and a lack of universal approach towards it, there is an apparent need for a novel holistic approach that could act as a guide. Thus, our research will aim to combine four research fields – the blue ocean strategy, positioning, strategic orientations, and resource management – in order to create such an approach.
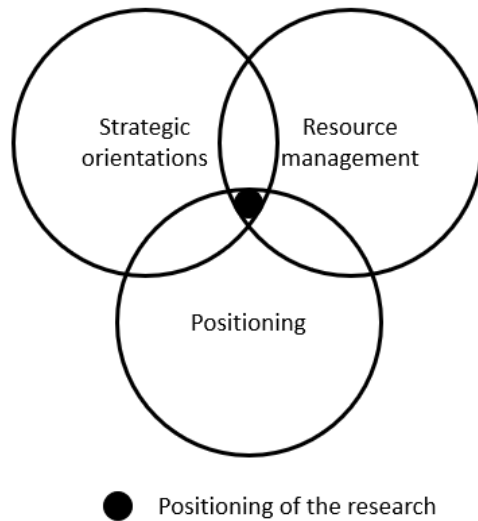
Figure 1. Intended positioning of our research.

1.2 Research purpose

After analysing the case of Polestar and its position, we realized that none of the well-established positioning frameworks could be used to thoroughly explain the position that it has taken up. Instead, many isolated concepts could be used, with no clear connection to each other. Therefore, the purpose is to integrate positioning concepts and theories into one framework with the aim to develop a holistic positioning approach.

We have thus formulated three research questions:

RQ1.   What constitutes a holistic positioning approach?

RQ2.   How is a holistic positioning approach used?

RQ3.   Why is a holistic positioning approach beneficial?

1.3 Research limitations and contributions

Even though we acknowledge the existence of numerous strategic orientation directions, we only delve deeper into brand, and market orientations specifically. That does not mean that other orientations are unviable or incompatible with the approach that we aim to develop; however, we see these two orientations as the most straightforward, and arguably the most important as they

provide an insight both inside of the company and outside of it. This can be argued to provide a satisfactory level of an insight on the overall forces affecting the company. To reiterate, it would likely prove beneficial to take more strategic orientations into consideration which could be done by future researchers, but given the time constraints of this project, only two will be considered.

From the theoretical perspective, our contribution would be merging at least three theoretical business concepts into one holistic approach; to the extent of our knowledge, this is the first attempt to do so. For managers and executives, especially those related to business development, positioning is a long and straining process that is difficult to fully control, yet one that must be seen through. We aim to contribute towards making this quest simpler by translating theory into a useful, practical, and guiding approach that managers will be able to practically use.

1.4 Outline of the thesis

This thesis is divided into 7 parts. The contents of each chapter are as follows:

Chapter 1: Introduces the background of the research topic, states the purpose of the thesis and the specific research questions, as well as the limitations and potential theoretical and practical contributions of this research.

Chapter 2: Presents relevant literature on the concepts and theories that we use in the further stages of the thesis. Introduces a preliminary framework as a result of the review.

Chapter 3: Discusses the methodology of our research, including the research philosophy, data collection and analysis strategies, as well as the limitations of our data.

Chapter 4: Presents both primary and secondary empirical data, which is structured in accordance with the preliminary framework.

Chapter 5: Comments on the flaws of the preliminary framework, and introduces its improved, and final version. Justifies the presence of every element by analysing the data in accordance with the new framework.

Chapter 6: Discusses and reflects on some of our key findings, and as relates the final framework to past literature.

Chapter 7: concludes the thesis by re-examining its purpose, aim, and research questions. Presents theoretical contributions, practical implications, limitations, and future research suggestions.

2 Literature review

In the following section, we elaborate on the research fields that we aim to merge into a conceptual framework. Firstly, the broad concepts of positioning and brand identity shall be discussed as it is at the heart of our research purpose and the case chosen. Then, the concept of strategic orientation will be introduced and two basic types of orientations – the brand, and the market orientation – will be examined, as well as nuances in their interplay. These concepts are discussed because of their natural opposition to each other, and the necessity for any firm to strike a balance between them. Finally, the resource-based view will be discussed, as the heterogeneity of resources can act as a gatekeeping mechanism preventing firms from achieving their desired market position.

2.1 Positioning and identity

2.1.1 Positioning

As a concept, positioning has been around since the 1970s, pioneered by the Unique Selling Proposition (Reeves, 1961). According to USP, brands should communicate one or a few benefits that would make them stand out from the competition. Starting out as an advertising concept, nowadays positioning is used in broader contexts such as marketing, branding, and strategy (Urde & Koch, 2014). Having evolved into a broader concept, Kapferer (2012) defines that positioning a brand means "emphasizing the distinctive characteristics that make it different from its competitors and appealing to the public". Similarly, Urde and Koch (2014) define positioning to be "the management process that seeks to establish a new position in markets and minds or modify (fortify or change) an existing one". The reason both concepts are reviewed in tandem is because, as Kapferer (2012) notes, it is impossible to discuss brand positioning without the concept of brand identity. However, perhaps because of the fact that it is used by many disciplines and applied in various contexts, there is a lack of consensus on what positioning really is and what it entails; despite this, the one thing that there is strong agreement on is that it is important (Urde & Koch, 2014). The reason why positioning is an important topic, as aptly addressed by Kapferer (2012), is because "all choices are comparative". That means two things: first, it means that a product is considered in a broader context against its competitors. Second, it means that a product must have

a defined key-selling factor. Thus, the aim of positioning is to provide a strong purchasing rationale, that gives the firm a real or perceived advantage (Kapferer, 2012).

There are several different models and techniques concerned with strategy development in business (Kapferer, 2012; Porter, 1985). In essence, strategy formation frameworks can be summarized to sound like Urde and Koch's (2014) proposed two essential questions:

1. **Where will the firm compete?** Firms should clearly know what business they are in and what segment they are aiming to capture: the "goal" of their positioning efforts.
2. **How will the firm compete?** This refers to the dimensions that the firm is trying to compete on: what differential advantage will it strive to have? For example, will it aim to be more sustainable, cheaper, or higher quality?

While these questions are somewhat general, they capture the essence of positioning as an activity. They can be, however, dissected into more details. Urde and Koch (2014) find that in one of the more known frameworks, Kapferer (2012) asks four questions that encapsulate the entire process, which the authors then rephrase as follows:

1. **For whom?** This refers to the target segment.
2. **In which market?** This refers to the target market.
3. **Promising what?** What are the key elements of the brand?
4. **Proven by what?** What evidence is there to support the brand's promise?

While this makes the framework quite comprehensive at a glance, the issue is not here; most of the time, however, the problem is not the lack of framework options, but selecting the right overall approach for the process of positioning (Urde & Koch, 2014). For example, Urde and Koch (2014) describe five ways of approaching positioning, each with different objectives and techniques.

Another important thing to discuss is the width of a position. A firm must decide whether the brand core will have one benefit that it promises and therefore will be defined as a narrow position, or opt for more benefits and therefore be seen as "wider" (Olsen, Meling Samuelsen, Pappas & Warlop, 2022). It is difficult to claim that there is a definitive right answer for this choice: for example, some studies state that a broader range of promised benefits makes brands more salient (Romaniuk, 2003; Romaniuk & Sharp, 2003); however, Olsen et al. (2022) find that this might only be true in static market conditions. The authors find that in dynamic conditions, consumers

directly compare the strategies of new entrants and incumbent firms, preferring the narrower strategy that often is employed by new entrants. Another important thing to discuss is the width of a position. A firm must decide whether the brand core will have the one benefit that it promises and therefore will be defined as a narrow position, or opt for more benefits and therefore be seen as "wider" (Olsen et al., 2022). It is difficult to claim that there is a definitive right answer for this choice: for example, some studies state that a broader range of promised benefits makes brands more salient (Romaniuk, 2003; Romaniuk & Sharp, 2003); however, Olsen et al. (2022) finds that this might only be true in static market conditions. The authors find that in dynamic conditions, consumers directly compare the strategies of new entrants and incumbent firms, preferring the narrower strategy that often is employed by new entrants.

2.1.1.1   Schools of positioning

Urde & Koch (2014) introduce the idea of five ways – "schools" - to approach positioning. Each of the schools is said to be the most appropriate for a certain type of strategic orientation, which shall be introduced later on in this literature review; additionally, these come with their own sets of appropriate techniques and objectives.

1. **Puzzle –** The puzzle school is said to be the most market oriented school of positioning. It is concerned with "finding lacking pieces in the market puzzle and matching them with existing ones" (Urde & Koch, 2014). Translated, the objective means that the business aims to identify and exploit the needs and wants of customers that are not met by anyone else. The authors use the mobile phone manufacturer Doro as an example, which managed to identify and specialize in meeting the unmet needs of a specific unrepresented customer segment within the mobile phone market.

2. **Wordplay –** The wordplay school aims to utilize communications in order to position a brand's message in consumers' minds (Urde & Koch, 2014). It is, as the authors put it, "exploiting the meaning of words to reach desired brand associations". This approach is seen as appropriate to market-and-brand oriented firms. Coca-Cola is a firm that can be seen using this approach, where in one of the company's campaigns, it aimed to create a negative association about its main competitor Pepsi, effectively trying to create an association that it is the better choice.

3. **Wild card poker** – The wild card poker school aims to create uncontested market space through the use of creativity and innovation (Urde & Koch, 2014). In a way, it is quite similar to the blue ocean strategy (Kim & Mauborgne, 2005) that discusses such a possibility. Vitamin Well – the firm selling vitamin enriched water – is taken as an example, as it invented its own category, thus managing to escape from the competition. This strategy is seen as the most neutral one, leaning neither toward market-oriented, nor brand-oriented firms.

4. **Chess** – The chess school aims to coordinate a consensus between business strategy, and brand strategy (Urde & Koch, 2014). This is seen as an appropriate approach for brand-and-market oriented firms. Electrolux is presented as an example, as the brand policies are set based upon market insights.

5. **Domino** – Seen as the most brand-oriented school, this positioning approach takes the brand of a firm as a basis and positions the firm in the space where it would best fit; that position is then fortified over time (Urde & Koch, 2014). Volvo is presented as an example, due to its extensive heritage of being associated with safety.

2.1.1.2 Blue ocean strategy

The blue ocean strategy is a widely recognized concept in business. The basic premise is the differentiation between "blue oceans", and "red oceans". The "red oceans" represent all the industries in existence today – the known market space – while the "blue oceans" represent the industries that are not in existence currently – the blue oceans (Kim & Mauborgne, 2005). The competitive rules within the red ocean space are known and accepted, while they do not yet exist within the blue ocean. The ruling principle of pursuing the blue ocean strategy is that it is not about achieving excellence in existing market. Competing within an existing market is seen as not necessarily leading the firm to better performance. It is argued that firms that compete within red oceans are effectively trapped in competition. Instead of competing in the existing market, the principle aims to create a new market in which competition is rendered irrelevant. While the demand in such a market is unknown, it is then created from scratch, rather than having to accept the existing demand within the red ocean.

The creation of a blue ocean involves breaking the value-cost trade-off rather than making it. In essence, this means reconstructing the buyer value elements in a new value curve. Four principal actions are taken to achieve this:

1. **Elimination** – certain factors that the industry takes for granted are eliminated.
2. **Reduction** – certain factors are reduced below the industry standard.
3. **Creation** – some factors that the industry never offered before are created.
4. **Increase** – some factors are increased to be above the industry standard.

Another notable impact that the blue ocean strategy has is that it allows the business to pursue both differentiation, and low-cost strategies simultaneously, while the red ocean strategy forces businesses to make a choice between the two. A summarization of red ocean and blue ocean strategies can be seen in Table 1.

Table 1. Summary of red ocean, and blue ocean strategies (Kim & Mauborgne, 2005).

Blue ocean strategy	Red ocean strategy
Makes the competition irrelevant	Beats the competition
Creates and captures new demand	Exploits existing demand
Breaks the value-cost trade-off	Makes the value-cost trade-off
Aligns the whole system of a firm's activities in pursuit of differentiation *and* low cost	Aligns the whole system of a firm's activities with its strategic choice of differentiation *or* low cost

In literature, blue ocean strategy is most often viewed through a case study lens of specific industries (Jeffrey Boon Hui & Khai Ling, 2018; Lohtander, Aholainen, Volotinen, Peltokoski & Ratava, 2017; Lee, Wang & Chung, 2017). While some proof has been found that this strategy can improve firm performance (Christodoulou & Langley, 2020), generally research surrounding this topic discusses the creation of new markets, value, and products.

2.1.2 Brand identity

The concept of positioning cannot be discussed without also taking a dive into brand identity. One definition of brand identity was proposed by Aaker (1996), who labelled it as "a unique set of brand associations that the brand strategist aspires to create or maintain". Kapferer (2012) equates brand identity to a person's identity card – a "personal, non-transferable document that tells in a few words who we are, what our name is, and how we can be recognized". A well-defined brand identity has generally been acknowledged as paramount for long-term brand building (Kapferer, 2012; Urde, 1994). Some authors seem to believe in the idea of there being a "core" in a brand's identity (Urde, 2013; Aaker, 1996) that includes the very essence of the brand that the rest of the identity is built around. However, some known frameworks from similar time periods do not feature this element (Kapferer, 2012; Neumeier, 2016), implying that a brand core is not strictly necessary. In general, scholars have invented quite a few brand identity matrices over time, however most of these mostly revolve around product brands.

There is a notable difference between corporate, and product brands, where a corporate brand could be seen to be of wider focus than a product brand due to it being implemented company wide. However, the field of corporate branding could be described as distinctly lacking research, with most of it focusing on product branding due to a common impression that brand management is mainly a concern at the product level (Urde, 2013). Despite this, corporate branding has been gaining traction in recent times as researchers believe them to be worthy of increased scrutiny (Balmer, 2008), as they have the potential to affect a large array of stakeholders (Hatch & Schultz, 2001).

Additionally, there is a need to describe the difference between brand identity and brand image – after all, brand image is the more commonly heard term, and there can be much confusion in differentiating the two. Essentially, brand identity is the "sender's side" of the brand, while "brand image" is the receiver's side (Kapferer, 2012). In-between what the sender aims to convey through their messages and what the receiver actually receives, there are things that can distort the final message, such as competition and external noise (Kapferer, 2012). In a perfect case scenario, these two terms should be the same, however this is virtually impossible to achieve due to uncontrollable interference between the two parties.

2.1.2.1   Corporate brand identity matrix

In response to the lack of tools for corporate brands, Urde (2013) has proposed a framework to assist corporate brand managers in working with brand identity. The matrix can be applied for three different goals:

1. **Describing the brand** – Urde (2013) proposes ABB – a multinational company operating in robotics, automation, and many other fields of business – as an example. ABB's management wanted to further the company's understanding of its own brand by explaining what it is and what it represents, as well as know how it can be applied in order to add value to the business.

2. **Defining the brand** – the difference between this purpose and simply describing the brand was explained by the use of the Cargotec case (Urde, 2013). Cargotec – a Finnish cargo handling firm – was relatively unknown and wanted to create a stronger brand for itself. Cargotec owned three daughter brands, and the management of the firm decided to "let the daughters define the mother's identity". First, all three of the daughter brands were defined individually through the use of the matrix. Then, an aggregated matrix was presented; each part was evaluated, and the matrix was adjusted in accordance with the evaluation. Through this process, the new Cargotec brand was defined. The main difference, as one can observe, is that Cargotec's brand could be said to have been fragmented and resulting in being completely newly defined, rather than just needing a more accurate description.

3. **Aligning the brand** – this purpose of the matrix aims to address conflicts in-between its elements, for example *position* and *expression* (Urde, 2013). The firms can use the brand core as the point for departure and evaluate whether different parts of the brand align well with that point, and then, if they also display good alignment with each other. For example, a firm that aims to be perceived as luxurious and mature may not want to express themselves through the use of slang, an inappropriate logo, etc.

The framework consists of nine parts, spread evenly among three categories: being only internal, both internal and external, and only external. The three internal elements relate to the organization itself, its culture, and values. The internal-external elements bridge the internal and external components of the identity, essentially summing up the "core" of the brand altogether, whereas external elements represent the way in which the firm wants itself to be perceived by external

parties, such as customers and other stakeholders. It is also important to note that the matrix allows a firm to choose between a more market- or a more brand-oriented approach: for example, if a firm is brand-oriented, it should initiate the creation of the matrix from the bottom part, the internal values. In contrast, if a firm aims to be more market-oriented, it can start filling the matrix out from the top, first addressing its external relationships. Next, each individual part of the matrix will be explained.

Brand Identity Matrix			
External	Value Proposition	Relationships	Position
External/Internal	Expression	Brand Core	Personality
Internal	Mission and Vision	Culture	Competences

Figure 2. The Corporate Brand Identity Matrix (Urde, 2013).

2.1.2.1.1 Mission & Vision

The corporate *mission* can be defined as the motivation behind a firm's existence, and its goal beyond the basic aim to earn a profit (Urde, 2013). The *vision* further elaborates on this, by stating its long-term goal and inspirations (de Chernatony, 2010). Typically, a mission statement is more concrete than the vision. For example, Tesla's mission statement is "to accelerate the world's transition to sustainable energy" (Tesla, n.d.), whereas its vision is "to create the most compelling

car company of the 21st century, while accelerating the world's transition to electric vehicles" (Tesla, 2011). For brand-oriented firms, this part of the matrix is the first consideration in defining a corporate brand identity, as they are the firm's sources of commitment (Urde, 2013).

2.1.2.1.2 Culture

"The culture of an organization is a reflection is a broad reflection of its corporate attitudes, values and beliefs, and of the ways in which it works and behaves" (Urde, 2013). There are many ways to communicate the culture of a brand. For example, it can be through the heritage of the brand and its track record, country of origin, style of leadership and potential leaders, as well as the products it produces (Kapferer, 2012; Urde, 2013). A good question to ask when defining a corporate culture would be "What are our attitudes and how do we work and behave?" (Urde, 2013).

2.1.2.1.3 Competences

This part of the matrix is similar to the resource-based view that will be introduced later in the literature review, as both concepts aim to look inward at the company and define its unique resources. The competences of a company include its capabilities and processes, essentially defining what the firm is good at (Urde, 2013). Ideally, the competences of a firm are unique to it, effectively becoming a source of a sustained competitive advantage against competition (Barney, 1991). An example of a core competence could be a unique technology (for example, IKEA's space-saving way of packaging was a unique competence when it was invented), access to niche and difficult to obtain talent (for example, experienced designers for luxury clothing brands), etc.

2.1.2.1.4 Expression

The expression component of the matrix relates to the identification of the corporate brand identity. Essentially, expression addresses what is "unique and special about the way we communicate and express ourselves making it possible to recognize us at a distance" (Urde, 2013). It is not only the advertisements and communication as one might imagine at first; rather, it includes both tangible and intangible features that help customers identify the brand (Urde, 2013). These could be the

tone of voice, musical notes, graphics, or the logotype (Olins, 1989), as well as the flagship product that represents the brand's values (Kapferer, 2012).

2.1.2.1.5 Brand core

The brand core is the set of values supporting the promise of the firm (Urde, 2013). It is the very essence, the heart of the firm; thus, it should be coherent and integrated with all other elements of the matrix. The brand core has a unique position of acting as a guide for internal employees, as well as being paramount for the formulation of external strategy elements. The core should be defined in a way that would permit its alterations in the future, as a brand should be able to evolve over time.

2.1.2.1.6 Personality

The personality element refers to the characteristics and qualities of the firm's corporate character (Urde, 2013). It is important to learn that it is different from the personality of product brands, enveloping the organization as a whole instead of a single product brand. The author suggests asking "What combination of human characteristics or qualities form our corporate character?" to help firms define their personality; it is therefore to no surprise, that the personality of the brand is influenced by its employees, and is to a large extent dependent on expression, making the two elements strongly inter-related. For example, the corporate personality of Red Bull could be defined as being young, adventurous, and daredevil, which is heavily owed to their communications and involvement in extreme events (which refers to the expression element).

2.1.2.1.7 Value proposition

The value proposition component in the matrix represents the arguments directed to customers and other stakeholders (Urde, 2013). The author argues that coming up with specific value propositions that are consistent with the brand core often proves to be a challenge, but leads to a positive relationship with customers, increases purchase intent, and improves the reputation of the brand if done correctly. A question "What are our key offerings and how do we want them to appeal to customers and non-customer stakeholders?" is proposed as a possible way to define a firm's value

proposition. Private White – an English luxury clothing brand – for example, promises high quality, traditional style British clothing that will last a lifetime and never go out of fashion. This is then further reinforced by its brand core that shares the same values – high quality, progressive tradition, British culture, and timeless experience.

2.1.2.1.8 Relationships

The relationship part of the matrix discusses the code of conduct between the firm and its customers and stakeholders (Urde, 2013). This can include the way a brand delivers services to its customers and relates to them, the intended length and depth of association. Also, a corporate brand is said to typically have to relate to many audiences at the same time, therefore integration between these groups that can influence each other has to be addressed as well.

2.1.2.1.9 Position

The position element of the matrix addresses how management intends the brand to be positioned both in the market, and in the minds of consumers and other stakeholders (Urde, 2013). The author cautions that while this element is strongly related to the concept of positioning that was examined earlier in this section, it refers not to the process itself, but rather the point of reference for it; the aforementioned process comes afterward. This part of the matrix is strongly related to the mission and vision element that refers to the firm's reason for existence; therefore, these two elements should be carefully aligned with each other.

2.2 Strategic orientations

Strategic orientation has been defined by Noble, Sinha and Kumar (2002) as "the guiding principles that influence a firm's marketing and strategy-making activities". In essence, orientation highlights that the management of a firm prioritizes in decision making processes. While previously most research focused on market orientation and its advantages due to the widely-accepted notion that the best way to earn a profit is to satisfy the market (Noble, Sinha & Kumar, 2002), alternative orientation types have been presented by other researchers and can also prove successful: among these are learning orientation (Baker & Sinkula, 1999), innovation orientation

(Zhou, Yim & Tse, 2005), cost orientation (Noble, Sinha & Kumar, 2002), entrepreneurial orientation (Zhou, Yim & Tse, 2005), and brand orientation (Urde, 1994). While some suggest that the choice of orientation originates from top management (Jaworski & Kohli, 1999), some believe that the orientation of a company is not always an explicit choice by the management, rather being a pattern of decisions or the results of organizational learning (Urde, Baumgarth & Merrilees, 2011). Orientations can be defined as certain types of corporate cultures if looking at these concepts from a cultural perspective (Noble, Sinha & Kumar, 2002; Urde, Baumgarth & Merrilees, 2011).

In this thesis, we shall be examining two orientations in particular – brand and market. In essence, Urde and Koch (2014) propose two questions that determine which approach the firms are taking: To what extent should an organization be guided by its identity?

1. To what extent should it be responsive to others' views and wishes?
2. To what extent should an organization be guided by its identity?

2.2.1   Market orientation

Urde, Baumgarth and Merrilees (2011) refers to market orientation as "the mindset of a company or to concrete instruments that pertain to the actual and latent needs and wants of individual customers". It is a strategy that preaches brand image and the customer, and vows to satisfy the requirements of consumer, taking customer needs and wants as departure points in strategy formulation. Thus, customer satisfaction as the core of this orientation. This approach can also be called the "outside-in" view, as the company first and foremost considers outside pressure and values before exerting its own from within. Market segmentation, customization, adaptive selling, customer relationship management, customer surveys and customer equity could all act as indicators of a market orientation (Urde, Baumgarth & Merrilees, 2011). Urde, Baumgarth and Merrilees (2011) go as far as to compare it to an obsession, presenting Amazon as a purely market driven firm by referencing a quote encapsulating Amazon's mentality: "Customer obsession: We start from the customer and work backwards".

Ghauri, Wang, Elg and Rosendo-Ríos (2016) suggest two types of market orientation: proactive, and reactive. While reactive market orientation is defined as meeting expressed demands of

customers, proactive market orientation focuses on more latent needs that are not expressed directly. The latter approach is associated more with market driving firms (Kumar, Scheer & Kotler, 2000; Narver, Slater & MacLachlan, 2004). An example of it could be seen in a famous statement once said by Steve Jobs: "Some people say, "Give the customers what they want." But that's not my approach. Our job is to figure out what they're going to want before they do."

2.2.2 Brand orientation

As branding in general has been garnering much traction as a topic nowadays, brand orientation has been attracting attention in a similar fashion (Balmer & Podnar, 2021). The introduction of branding orientation as a concept was introduced by Urde (1994), and refers to "an approach in which the process of the organization revolves around the creation, development, and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands" (Urde, 1999). In the same work, the author suggests that this view is "inside-out", meaning that the needs and wants of the market are fulfilled as much as possible, but the integrity of the brand is prioritized above all. While different scholarly works present their own definitions for brand orientation, a common denominator among them is the understanding that a brand-oriented business is centred around the preservation and development of a strong brand that can then be utilized as a competitive advantage (Piha, Papadas & Davvetas, 2021).

While most studies about brand orientation have been qualitative and exploratory in nature (Urde, 1999; Urde, Baumgarth & Merrilees, 2011), some attempts have been made to empirically quantify the extent of brand orientation (Hankinson, 2012; Piha, Papadas & Davvetas, 2021; Baumgarth, 2010). However, these attempts greatly differ from each other by the number of metrics and the choice of metrics themselves, despite there being some common points among them. Perhaps the most notable attempt to unify the fragmented understanding of brand orientation and establish a universal measurement has been made by Piha, Papadas and Davvetas (2021); while this has laid groundwork for future inquiries, the mentioned study has not been proven its robustness, thus it would be a stretch to say that there is an established way of measuring brand orientation.

An example of a brand-oriented firm could be the British cosmetics retailer Lush. Ever since its inception in 1995, the company has preached the integrity of its ethics, the genuineness of which

could be considered rare to see in the cosmetics industry. In 2021, among the raging pandemic that had businesses struggling for survival, Lush demonstrated just how much the integrity of its brand means to the company. The firm removed its Facebook, Snapchat and TikTok accounts (with its Instagram and Facebook accounts alone having 10.6 million followers) based on the concerns of negative effects that social media has on mental health and body image – the accounts have not been reactivated since then (Wood, 2021). Mark Constantine – the CEO of Lush – later stated that he "is happy to lose £10 million by quitting Facebook" (Wood, 2021). Not only the action itself, but the timing of it is also what set Lush apart as a brand-oriented firm.

2.2.3 Hybrid approaches

It can be observed that market orientation and brand orientation are two strategies that are fundamentally opposed to each other. Whereas market orientation is an outside-in approach and prioritizes the needs of the market at any cost, brand orientation is inside-out, prioritizing the preservation of the brand, even at the cost of the needs of the market. Despite this, it would be wrong to think that there is an "inevitable tug-of-war" between these approaches (Urde, Baumgarth & Merrilees, 2011). More often than not, a firm's orientation will be a combination of the two approaches, varying in their strength. Hence, Urde, Baumgarth and Merrilees (2011) differentiate between four approaches to managing brand and market orientations, as illustrated by Figure 3. Whereas the two "pure" approaches have already been discussed, this section sheds light on mixed approaches.
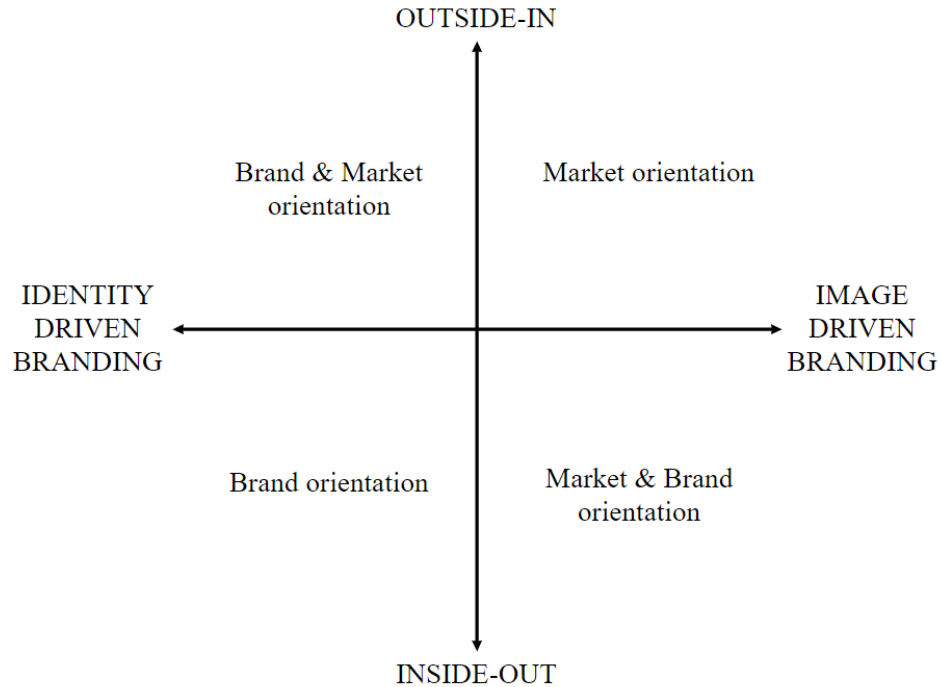
Figure 3. The brand and market orientation Matrix (Urde et al., 2011).

2.2.3.1 Market & Brand orientation

Market & brand orientation is an approach that initially relates more to market orientation and customer satisfaction, but also recognizes the importance of brand identity. The customer is put at the forefront of decision-making, but the brand also influences the culture and strategic behaviour of the company.

An example of a market & brand-oriented firm could be the Polish video game developer CD Projekt Red (CDPR), and its handling of the video game Cyberpunk 2077's launch. Initially, CDPR gained a lot of traction after developing The Witcher 3, which won the "Game of The Year" award in 2015, and is often labelled as one of the most influential games of the last decade (IGN, 2020). The company caught a lot of attention for Cyberpunk 2077, as the public expected the same high quality that CDPR had displayed before. The date of launch was initially set to be in April 2020, but the game was delayed until September, then until November, and finally released in December of the same year (Watts, 2020). However, even in December the game was far from being ready for release and was received highly negatively. Despite CDPR knowing that the product was unfinished, the outcry for the constant delays had been so large that the company

chose to rather give in to the public than preserve its identity as a developer of high-quality games. Hence, at the end CDPR could be seen as a market-and-brand oriented firm that gave into the market but only the efforts to preserve the integrity of its brand fell short.

2.2.3.2 Brand & Market orientation

Brand & market orientation, in contrast to market & brand orientation, firstly recognizes the importance of the brand identity and a firm's internal values; however, the market needs also are said to play an important role in the creation and development of a company's culture (Urde, Baumgarth & Merrilees, 2011).

An example of a brand & market-oriented firm could be the English gin distiller Manchester Gin. In the beginning, the firm started out as a hobby of its two owners, who liked gin and found distilling it fun. After introducing five core gin tastes to its range, during the last couple of years the firm has been experimenting with more unconventional recipes that are sold for a limited time. Some new products have been added to the offering range permanently developed with accordance to the market needs and Manchester Gin is generally very involved in the Mancunian culture that it comes from, and celebrates it consistently, indicating a market-driven approach. However, the company seems to first and foremost be guided by the culture of its founders, and the (sometimes very unconventional) limited edition gins indicate that they aim to maintain the 'fun' aspect of gin distilling and finding interested customers comes as an afterthought rather than a basis for their recipes. Therefore, Manchester Gin could be defined as a brand-and-market oriented firm.

2.2.4 Orientation evolution and change

An important conclusion to draw from the work of Urde, Baumgarth and Merrilees (2011) is that these orientations are not static. The authors find that many firms that employ a "pure" approach at first, which may reflect the beliefs and convictions of its leaders – those with a bold vision tend to practice brand orientation, while those that intend to fulfil unmet needs of the market tend to choose market orientation. Over time, however, these approaches tend to evolve into hybrids: purely brand oriented firms become brand & market oriented, whereas market-oriented firms start practicing market & brand orientation. It is also possible to shift between the two hybrid

orientations. However, the change in orientation is said to require a change in the entirety of the business – staff perceptions, work culture, prioritization processes, the dynamics of market engagement by the company, and much more is required for a company to successfully undergo a transition from one orientation to another.

An example of Nicorette – the firm producing nicotine gum and patches - is presented by Urde, Baumgarth and Merrilees (2011). At one point, Nicorette underwent a transition from becoming a traditional pharmaceutical company with a strong brand-driven approach to becoming an over-the-counter brand with a market driven approach instead. The extreme orientation shift was received drastic backlash by its own employees who were driven by internalized values and believed that first and foremost they were waging an ethical battle against smoking. The leadership of the firm acknowledged these concerns by pulling back on some its advertisements and reconsidering their communication strategy. Eventually, Nicorette became a market-and-brand oriented firm as a consensus between the two approaches, first considering the needs of the market and then making sure that its brand integrity is maintained.

2.3 Resource management

A notable topic within literature is the management of resources, and how they can be utilized to create a competitive advantage. In this thesis, we delve deeper into two of these concepts, that will be now introduced.

2.3.1 Resource-based view

The resource-based view (RBV) emerged as a concept around the 1980-1990s, with three works that could be labelled as influential (Barney, 1991; Prahalad & Hamel, 1990; Wernerfelt, 1984). While somewhat differing, the articles propose a similar idea. The premise of RBV is that a sustained competitive advantage "derives from the resources and capabilities a firm controls" (Barney, Wright & Ketchen, 2001). Prahalad and Hamel (1990) equate competences (resources) to be the "roots" of the tree that is the company. According to the authors, these competences are then used for the creation of core products that give rise to business units and improve their end products. Wernerfelt (1984), on the other hand, equates firms to essentially being "bundles of

resources in a highly imperfect market", resources being anything that can be regarded as a strength or weakness of the firm. That includes tangible, as well as intangible resources – for example, brand name or customer loyalty could be used as examples of intangibles, while capital and machinery are physical resources.

It must be noted that RBV relies on two main assumptions – resources are inherently heterogenous (the competition is not perfect), and immobile (cannot move between firms or be replicated) in the short-term. Similarly, Prahalad and Hamel (1990) differentiate between core competences that are present in the entire organizational structure (the entire family of firms) and are much less mobile, and strategic business units (daughter brands), which could showcase unique competences that may are more fluent. However, immobility and heterogeneity are not enough to create a sustained competitive advantage (Barney, 1991). Barney (1991) presents the idea that the most valuable resources are valuable, rare, costly, and non-substitutable (VRIN). The idea was further developed by Rothaermel (2013), who altered the framework to be known as VRIO. The author proposes that in order to create a sustained competitive advantage, resources need to be:

1. **Valuable** – the resource must increase the value proposition of the company by either increasing differentiation or reducing costs.
2. **Rare** – the resource must be only acquirable by a small number of firms, otherwise it results in competitive parity.
3. **Inimitable** – if a resource can be imitated easily, its value is temporary. Costs of imitation are not limited to capital only – whether it is manpower, time, or other costs, a valuable resource should be hard to replicate.
4. **Organized by the firm to capture value** – the final requirement for extracting value from a resource is the readiness by the firm to do it. This means that the organization should be aware of its resource and willing to exploit it, as well as have the means to do so.

2.3.1.1 Combining RBV with other concepts

RBV has attracted much attention throughout the years, perhaps owing to its simplicity and intuitiveness; throughout the years, it has been combined with numerous other frameworks and research fields. The theory has had a notable impact on the field of human resources (Barney, Ketchen Jr & Wright, 2021), due to the relative straightforwardness of seeing employees as

resources of the firm. Furthermore, RBV has been noted to possibly be a useful mindset in merger and acquisition scenarios. This is because firms have shown an increasing tendency to define themselves in technologies and to aim setting-up cross-divisional organizations (Wernerfelt, 2013). However, as Barney, Ketchen Jr and Wright (2021) note in their overview of RBV-related research, there is ample angles to explore further. Most notably for this thesis, Chen, Michel and Lin (2021) find that there is a lack of interaction between RBV and competitive dynamics, which include such things like interfirm rivalry, temporary competitive advantages and interfirm response models. While RBV does not directly target a certain sized firm, rather looking at business as a whole, RBV has recently been examined in in the context of start-ups by connecting it to entrepreneurship theories (Zahra, 2021). However, some find that more research could be conducted in the contexts of multinational enterprises, diversified corporations, CSR, and emerging markets (Beamish & Chakravarty, 2021).

2.3.2 Corporate heritage brands

A heritage brand is a special type of corporate brand (Balmer, Greyser & Urde, 2006) that preserves and utilizes elements of its past history in the current times. It is essentially a brand that stands "as a symbol of the past, present, and the future" (Cooper, Merrilees & Miller, 2015; Urde, Greyser & Balmer, 2007). Arguments have been made that heritage can be used as a strategic resource that managers can actively utilize for strengthening their brand position and value proposition (Urde, Greyser & Balmer, 2007). Brand heritage can also add to the brand's credibility and depth (Scarpi, 2021), as well as authenticity (Urde, Greyser & Balmer, 2007). The most prominent consensus in literature indeed seems to be that heritage acts as a positive force, Mencarelli, Chaney and Pulh (2020) introduce the idea that in some scenarios, people could act resistant towards this phenomenon.

There is a fundamental difference between a brand with a heritage and a heritage brand that must be addressed. A heritage brand is a brand that actively utilizes is heritage to strengthen its position and value proposition; a brand with a heritage, however, does not stress heritage as a key component in its value proposition (Urde, Greyser & Balmer, 2007). Urde, Greyser and Balmer (2007) use the watch industry as an example to illustrate this difference – both Patek Philippe and Tag Heuer are brands with a heritage, however only Patek Philippe utilizes its heritage as a key

component in its value proposition; therefore, only Patek Philippe can be labelled as a heritage brand. It is therefore the strategic importance allocated to heritage that differentiates a heritage brand from a brand with a heritage. Additionally, there is a difference between history and heritage. Urde, Greyser and Balmer (2007) argue that history aims to explore and explain the past, while heritage draws from the past and makes it relevant in the present, as well as the future. It is thus the retained importance of the past that acts as the key difference between the two concepts. The authors provide a summarizing phrase that "heritage brands are about both history, and history in the making".

While the field of corporate heritage brands has seen limited exploration (Balmer & Burghausen, 2015; Cooper, Merrilees & Miller, 2015), it has piqued some interest. The work by Balmer, Greyser and Urde (2006) explored the Swedish monarchy as a corporate brand, laying groundwork for a work by Urde, Greyser and Balmer (2007), who created a brand heritage framework, exploring the elements that go into creating a heritage. Some more notable recent works could include the paper by Scarpi (2021) who explored the effects of brand heritage advertising on consumer's willingness to pay more, as well as an exploration on the combined impact of brand heritage and the product category by Pecot and Merchant (2022). While these studies could be considered wider and more applicable universally, quite a few studies focus on examining the effects of brand heritage within specific industries and contexts, such as champagne advertisements on Instagram (Ammar Abdellatif, Weifeng & John, 2020), airlines (Deniz & Ali, 2021), or non-profit organizations (Curran, Taheri, Macintosh & O'Gorman, 2016). While most studies regarding brand heritage are quantitative, there has been an attempt made to create a scale for numerical measurement (Pecot, Valette-Florence & De Barnier, 2019). It has not yet, however, been recognized as a salient framework. (Balmer & Burghausen, 2015; Cooper, Merrilees & Miller, 2015).

2.3.2.1 The elements of brand heritage

We use the brand heritage framework by Urde, Greyser and Balmer (2007) as a theory base for this thesis. The authors propose that brand heritage is comprised from five parts:

1. **Track record** – this element refers to the brand's ability to deliver on its promises and values over a period of time. The authors state that heritage brands often accumulate

credibility and trust over time, creating and confirming expectations to different stakeholder groups. An example of this could be Volvo, as it is, at this point, synonymous with the safety aspect of its cars.

2. **Importance of history to identity** – the history of a brand is an important part of the identity for some firms, as it represents the firm and provides an image of how it operated in the past, and influences how it may operate today, and in the future. The authors use IKEA as an example, who mention that history is an important component of the business despite the fact that it is not usually used in external communications. Many other examples of this element could be seen in firms adding the year of their establishment in their logotypes.

3. **Longevity** – similarly to the track record element, longevity refers to the age of the firm. While the authors acknowledge that it does not necessarily result in the creation of heritage and is difficult to measure accurately, it refers to consistent demonstration of the other heritage elements under different leadership, to the point where customers can believe that it is ingrained in the company itself, rather than its leaders.

4. **Core values** – core values are one of the most important parts of a brand's identity. They act as guidelines internally for the firm's employees, as well as provide a promise for its external customers and stakeholders. The authors argue that when the core values fulfil their role as tenets and become a vital part of the brand identity, they can in time also become part of its heritage.

5. **Use of symbols** – symbols that are utilized well not only act as identification for a business, but also signals what it stands for. While one may be inclined to believe that this mostly refers to logotypes, this element can be represented in many more ways - slogans, certain patterns in clothing, etc. It can be virtually anything that has a symbolic meaning. The authors present the monarchy as a prime example of this element, through their use of a crown, the royal guards, or the royal motto.

Additionally, Urde, Greyser and Balmer (2007) state that having a heritage is not enough. In a similar fashion to the resource based view (Barney, 1991) , the authors stress that it must be organized and utilized in order to provide value for the firm in the form of a sustained competitive advantage, as well as internal branding benefits, such as simpler employee recruitment and retainment. Additionally, they also distinguish a 6th element called *Brand Stewardship* that they

place in the middle of the other five. Brand stewardship introduces the idea that brand heritage should not only be used as an asset, but also protected and built upon, once again coming back to the principle that brand heritage is both about history, and history in the making.

3 Methodology

3.1 Philosophical positions

Easterby-Smith, Jaspersen, Thorpe and Valizade (2021) stress the importance of actively and consciously consider and define which research philosophy one as a researcher follows. They mean this is important for numerous of reasons, of which one is that researchers must understand the implications one's philosophical underpinnings have on the following research methods. They state that this is central when creating the research design, as it involves what kind of data should be collected, how to interpret it, and how it helps answer the research question(s). They also describe that it helps the researchers choose fruitful paths to conduct the study and avoid approaches that are less suitable for the given purpose. Furthermore, the authors claim that researchers can break old patterns and discover new designs and previously unknown methods that enrich the study and lead to new findings.

Easterby-Smith et al. (2021) state that ontology is the first basic philosophical assumption to consider. It is described as "philosophical assumptions about the nature of reality" (Easterby-Smith et al., 2021, p. 70-71), and it aims to answers questions like "What is reality? What types of beings are there? How is it different 'types' of beings exist? What is a 'type'?" (Easterby-Smith et al., 2021, p. 70-71). The authors describe that there is a continuum of ontological positions, and the positions differ in the way truth and facts are seen upon, with the extremes believing that there is either a single truth, or no truth at all. We follow a relativist position, which means that we believe things can be seen from several perspectives, and that facts and 'truths' therefore can appear differently depending on the observer, time, and place (Easterby-Smith et al., 2021). The relativist ontology rejects the extremes and places itself in between them on the continuum, slightly more leaning to the nominalist position of that there is no truth, rather than the realist belief that there is only one objective truth (Easterby-Smith et al., 2021).

The next philosophical underpinning to consider according to Easterby-Smith et al. (2021) is epistemology, and it determines which assumptions we make about how we learn new knowledge. At its core, it questions what knowledge is, and how we can know what we know (Easterby-Smith et al., 2021). Two contrasting epistemological standpoints are presented by the authors, positivism, and social constructionism, and they should respectively naturally follow the taken ontological

position (Easterby-Smith et al., 2021). In our case, we have accepted the relativist ontology, and therefore we logically also accept a constructionist epistemology, a weaker form of social constructionism. This means that we accept the idea that 'reality' is socially constructed, hence it is a product of people's interactions, interpretations and experiences, and we reject the idea that a measurable social world exists externally (Easterby-Smith et al., 2021). When following the idea of many 'truths', as we do, there comes the problem of which 'truth' to pursue. To overcome this problem the authors recommend triangulation; this is to highlight angles of different realities of different people, including ourselves, and implies to use a mixture of qualitative methods to include more perspectives, which accumulated will give us a richer multi-dimensional understanding of the whole (Easterby-Smith et al., 2021).

The level of engagement a researcher has with the research context reveals two types of relationships, engaged and detached (Easterby-Smith et al., 2021). An engaged researcher is involved with the research object which it also has a close collaboration with, while a detached researcher keeps the distance and tries to stay as independent from the research object as possible (Easterby-Smith et al., 2021; Bell, Bryman, Bryman & Harley, 2019). Easterby-Smith et al. (2021) suggest an engaged relationship can be beneficial when studying social systems, which could include businesses and other organisations. We agree with this statement because we see it as very compatible with our constructionistic belief that reality is a product of people's interaction, which is why we have adopted an engaged approach in this thesis.

In this thesis, we have considered the strengths and weaknesses of our philosophical positions, which "can both increase the quality of research and contribute to the creativity of the researcher" (Easterby-Smith et al., 2021, p. 72). Strengths with constructionism include that a variety of data sources can be used, and results can be generalisable; while weaknesses include that it can be hard to gain access to the study object, and information can be difficult to verify (Easterby-Smith et al., 2021, p. 83). Furthermore, Easterby-Smith et al. (2021) argue that data collection, analysis, and interpretation of the data can be time consuming and difficult, and some people see qualitative studies as too subjective in its nature to be credible. On the other hand, they may be flexible to adjust to new ideas, and can be theory-generating (Easterby-Smith et al., 2021).

3.2 Research approach

3.2.1 Abductive research approach

When we were first introduced to the Polestar case, we, as marketing- and branding master students, already had extensive prior knowledge on positioning. Despite this, it turned out to be impossible using the traditional theories to crystalise a clear, desirable, and sustainable position for Polestar in the immensely intense and fast-moving market that they are operating in. The nuances of the situation were not properly captured, so we revisited the theory and found business concept that may traditionally not have been purely used purely in the context of positioning, but that nonetheless were relevant to the Polestar case, most notably the access and use of resources and capabilities. Based on this, we formulated our purpose, to integrate positioning concepts and theories into one framework with the aim to develop a holistic positioning approach and created a preliminary framework which we set up clear criteria for. To then apply the framework, we first needed to properly delve into Polestar as a company, and the automotive industry in general, including the firm's most prominent competitors. We therefore did an extensive data collection from various sources, including face-to-face interviews with managers and representatives from the company, and structured it in alignment with the preliminary framework. With the richer and more nuanced empirical data we now had a better understanding of the case and realised that our preliminary framework needed to be revised to include all important aspects of positioning that we had found in the case. We therefore revisited the literature and added the chosen positioning theories and refined the framework to include all these aspects. With the newly revised and refined framework we could analyse the empirical data and crystalise a clear, desirable, and sustainable position for the company.

Easterby-Smith et al. (2021) claim that theory is always central in academic research, but it can have different roles in a study depending on the approach. They argue that in a deductive study the theory is stated, a hypothesis is formulated to test the theory, and these then drive the data collection which ultimately concludes in the findings. An alternative approach presented by the authors is the inductive approach, where observations and findings come first, whereafter theory is generated. The respective approaches are commonly referred to as theory testing (deductive), and theory generating (inductive). Choosing between these approaches depends on which philosophical assumptions the authors make about the nature of reality, and about how reality should be studied (Bell et al., 2019).

Our taken approach, as described above, cannot be labelled as purely inductive or deductive; rather, it is an interactive process where we used an abductive approach of constantly going back and forth between the empirical grounding and theoretical development, see Figure 4 (Easterby-Smith et al., 2021). This approach has traces of both induction and deduction, for example, we were inductive when we refined our preliminary framework, and deductive when we used existing theories as a starting point. That fits well into the constructionist epistemology, which is suitable for theory generation, while also being neighbouring to the positivist epistemology, which is suitable for theory testing. Our purpose with this thesis was to integrate positioning concepts and theories into one framework with the aim to develop a holistic positioning approach. The abductive approach was therefore seen as the most suitable, as we didn't aim to develop a completely new theory, nor only test an old one, but rather integrate and modify already existing ones.

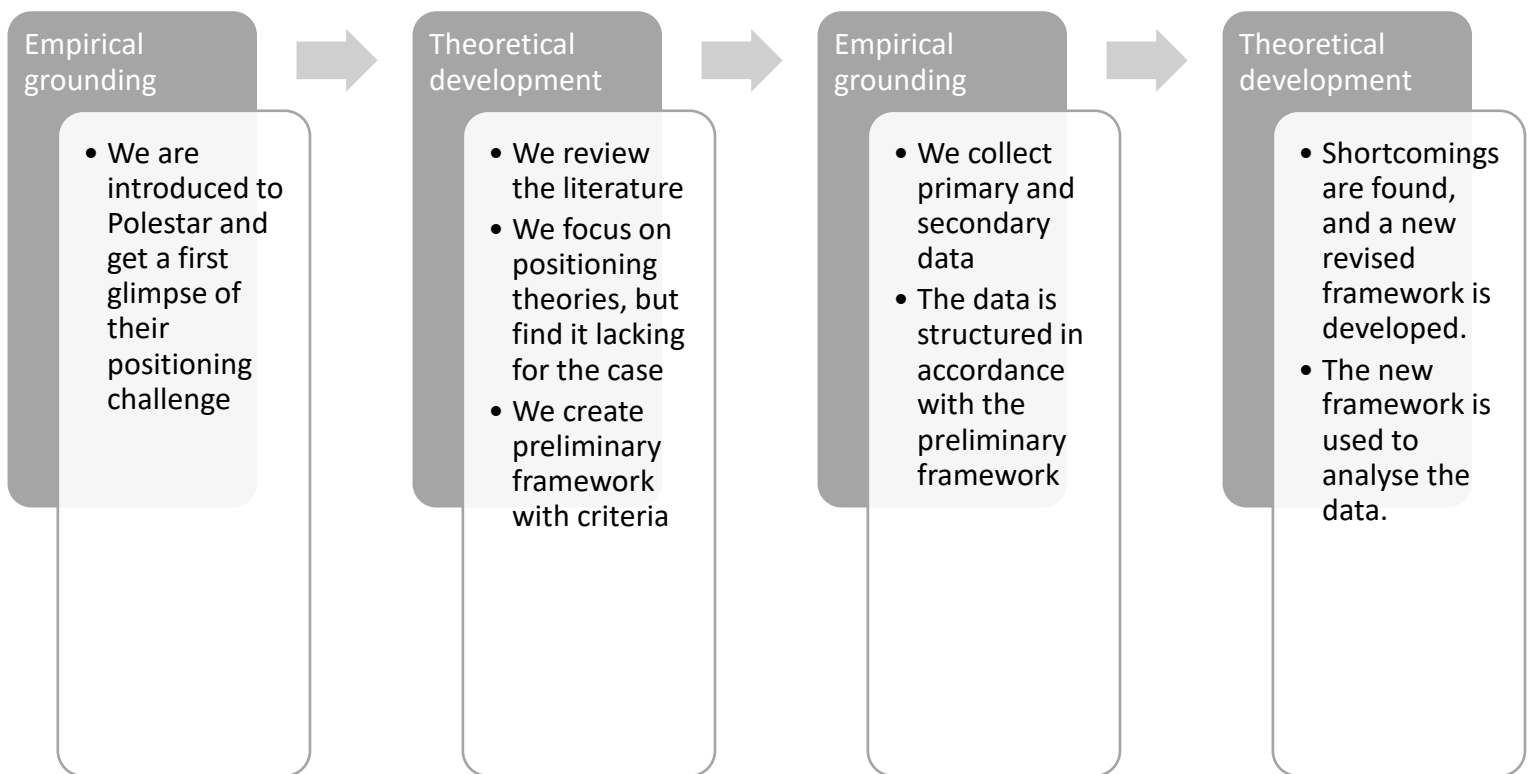| Empirical grounding		Theoretical development		Empirical grounding		Theoretical development
• We are introduced to Polestar and get a first glimpse of their positioning challenge	→	• We review the literature • We focus on positioning theories, but find it lacking for the case • We create preliminary framework with criteria	→	• We collect primary and secondary data • The data is structured in accordance with the preliminary framework	→	• Shortcomings are found, and a new revised framework is developed. • The new framework is used to analyse the data.

Figure 4. Flowchart of the interactive and abductive approach.

3.2.2 Qualitative research strategy

Methodology is the "combination of methods used to enquire into a specific situation" (Easterby-Smith et al., 2021, p. 71), and it requires the researcher to ask themselves "What question am I asking and what kind of conclusion do I hope to come to? How can I best research this question? What data are available?" (Easterby-Smith et al., 2021, p. 71). The methodological choice is constrained by the philosophical positions mentioned above. Based on our ontological and epistemological standpoints, and the overarching aim of this paper, we have adopted a qualitative research design for this thesis. This has allowed us to choose from a wide array of research methods to triangulate and capture the 'reality' from multiple angles. The types of questions that we are asking (what, how and why) are suitable for an exploratory thesis like this one. This methodology can be beneficial in theory generation, which is in line with this thesis, whereas a more positivistic epistemology would suggest quantitative methodology suits positivistic epistemologies better,

However, as relativism is followed by the weaker form of constructionism, and the authors suggest that in this case there can be an overlap with the positivist epistemology, which means that it could be acceptable to mix methodology with this neighbouring position. That would result in a more quantitative methodology which would enable the use of statistical tools for pattern recognition, in contrast to the normally assigned qualitative methodology which aims for convergence between ideas by asking questions, and often takes the form of a case-study (Easterby-Smith et al., 2021). Although a mixed approach could lead to new insights, overcome some weaknesses, and reinforce the strengths of respective methodological approach, it ultimately comes down to prioritising our limited time and resources. Pursing a mixed approach would risk resulting in two half-hearted approaches where neither one can produce a satisfactory result, instead of one that is clearly focused and adequately performed. For instance, a small survey with very few respondents has little to no value but would still cost significant time and effort to conduct. We therefore believe that it is better for us to fully focus on one approach, and in the choice between the two, we firmly believe qualitative methodology better suits the purpose of this thesis.

3.3 Research design

The purpose and aim of this thesis were first formulated after the case of Polestar had been introduced to us. Our inability to solve their positioning problem caught our interest, ultimately

leading us to choose this as our research topic for this thesis. Our aim of developing a holistic positioning approach required a theory-generating research design, which made a case study design suitable. Large case studies (up to 30 samples) often come from the positivist epistemology, which would have been unfitting for this case. Multiple case studies (sample size of 5-10 cases) are often seen as a middle ground between the positivist and constructionist philosophy and could therefore serve as a fruitful design for our thesis; however, a single case study fits perfectly within the constructionist epistemology and could therefore be seen as an even better choice. Polestar is in a unique position because they are a new player in a mature and saturated market with high entry barriers, which is just now starting to transform. Choosing a multiple case study for this subject would require us to find more cases that would fit within that frame, which would not be easy; other automotive firms in similar positions are in China and the United States, which rule them out for practical reasons this thesis. This makes us believe that Polestar is a unique case, which both Yin (2009) and Easterby-Smith et al. (2021) argue is appropriate for a single case study. The downsides with single case studies are that they risk becoming too narrow and descriptive, and the "theory may or may not be generalizable to other contexts" (Easterby-Smith et al., 2021, p. 128). As the authors also discuss, generalisability is often a problem with constructionist research designs, but the findings could be transferable if it is within the same context. In our case, that context could be complex positioning situations that require more nuances than what traditional methods provide. Despite these risks, we still believe that this unique case is best studied with a single case design.

3.4 Sampling of respondents

When sampling respondents for our thesis we wanted to include a variety of perspectives. Naturally when it comes to positioning, we were firstly looking for people in managerial or leading positions working directly with marketing and branding, so called typical-case sampling, as this would result in information power (Malterud, Siersma & Guassora, 2016). Additionally, to gain new perspectives and reveal unforeseen angles of the issue, we also wanted to include people from other departments and positions, a sort of maximum-variation sampling. It became a mixture between the two, and additionally also ad-hoc sampling, as we had to adapt to who was available and willing to meet us. We managed to gain access to these people by contacting a contact at the

Polestar headquarter in Gothenburg. We specified our above mentioned wishes of what kind of respondents we were looking for and they agreed to schedule a full day where we could meet them all at the headquarter. This was important for us because in addition to the interviews it enabled valuable on-site observations. The respondents came from different areas within *Branding & Marketing, PR & Communications, Strategy & Business Development,* and *Human Resources*.

Since the respondents from the headquarter were in a managing or leading position, we saw value in including at least one respondent who was in direct contact with customers. We therefore also contacted Polestar Space in Malmö and scheduled a meeting with a specialist there. This meeting also enabled new on-site and in-car observations.

A total of seven interviews were conducted, of which six were with employees in a leading position at the headquarter, and one was with a costumer-facing specialist. In addition to the interviews, we were given three guided tours, two at the headquarter and one at the Polestar Space.

Table 2. Overview of the respondents.

Method	Position	Location	Data type
Presentation and interview	Chief Communications Officer and Chief Marketing Officer	Polestar HQ in Gothenburg	Primary data
Presentation, guided tour, and interview	Global Technical Communications Employee	Polestar HQ in Gothenburg	Primary data
Presentation and interview	Internal Communications Team Manager	Polestar HQ in Gothenburg	Primary data
Presentation and interview	Strategic and Commercial Business Development Lead	Polestar HQ in Gothenburg	Primary data

	(incl. Global Market Expansion)		
Presentation and interview	Global Marketing Campaign Leader / Storytelling Strategy and Planning	Polestar HQ in Gothenburg	Primary data
Presentation and interview	Talent Management Lead	Polestar HQ in Gothenburg	Primary data
Guided tour (observation)	Global PR & Communications Intern	Polestar HQ in Gothenburg	Primary data
Guided tour (observation) and interview	Polestar Specialist	Polestar Space Malmö	Primary data

3.5 Data collection

As previously mentioned, we used a variety of methods to avoid too heavy dependency of a specific approach, which strengthens the credibility and theory generation (Baxter & Jack, 2008; Denzin, 2009). The dominant method was qualitative interviews, but we also found great value in observations and archival sources, which improved our understanding and reinforced some of the aspects that were found out in the interviews.

3.5.1 Qualitative interviews as primary data

To capture the full richness of the interviews (Easterby-Smith et al., 2021), they were conducted face-to-face in a private conference room at Polestar's headquarter in Gothenburg, except for one, which was conducted in the Polestar Space in Malmö. We started the session with us presenting ourselves, the plan for the interview – or discussion as we called it – and a short description of our research, without going too deep into details to avoid colouring the participants' view on the subject. We then asked for their signed informed consent, before proceeding.

Already when we scheduled the interviews, the interviewees were asked to prepare a short presentation of themselves and their work, which they then got to present. After the presentations we followed a semi-structured interview that was led by a topic-guide rather than direct questions. The topics were connected to our preliminary framework and the literature we had indulged in; namely positioning, competitors, customers, brand identity and resources. These concepts can appear abstract to some people (Easterby-Smith et al., 2021), which is why we tried to connect the questions with things the interviewees told us about themselves or their work during their initial presentation. We always strived to ask the questions in a manner to allow for open-ended answers and used probes or laddering (up and down), as suggested by (Easterby-Smith et al., 2021), to make the interviewees elaborate on thing we found particularly important or where we found the answer to be unsatisfactory. Before ending each interview, we always asked if they had gotten something out of the interview/discussion themselves, and what that in that case would be. We did this to make them reflect upon the interview, and hopefully that they would realise that it had been mutually beneficial. Lastly, we thanked them dearly for their participation. Each interview lasted for 45 min, including the short presentation. All interviews were held in English, which also is the official work language at Polestar.

Because of the currently complex nature of positioning in the automotive industry, we had already prior to the interview done extensive research online about the company, the industry, and their competitors, which resulted in a better discussion since the interviewees did not have to spend time explaining things that we could learn from elsewhere, and we could easily come up with relevant follow-up questions. We also believe that this made them appreciate the exchange we had more, and build trust us between us which is an important aspect (Easterby-Smith et al., 2021).

The used methods allowed for a large degree of freedom in our discussions which enriched the data, while we still stayed within the boundaries of our research (Easterby-Smith et al., 2021). An alternative approach presented by Easterby-Smith et al. (2021) could have been unstructured interviews, although that would risk wasting our limited time on discussions that could be irrelevant, and we could miss some of the important areas to our thesis. Structured interview would not have those problems, but it would be directly inappropriate due to our thesis' qualitative methodology and somewhat exploratory nature (Easterby-Smith et al., 2021).

Recorded interviews are beneficial in the sense that they give an unbiased recording of the interview, and it gives the listener opportunity to pay full attention to the interviewee (Easterby-Smith et al., 2021). However, it may restrict how freely the interviewee shares information, especially regarding sensitive business matters (Easterby-Smith et al., 2021). Polestar is in the process of going public, which legally, and psychologically, can make it difficult for representatives to talk unrestricted while being recorded. There is therefore a risk that the interviewees self-censor what they share. This is especially true in situations where they are uncertain if they legally can share the information or not, for instance about future events, where it is likely that they prefer to be safe rather than sorry. To make the interviewees more comfortable, and to make the interviews happen at all, we agreed that a better approach than recording would be to take notes throughout the interview. We also promised the respondents name anonymity for the same reason. Since we were two persons taking notes, we would compare our notes during the 15-minute break directly after each session and before the next started.

3.5.2   Observations

Throughout the thesis we have made several observations. Although this is not the main contribution to the case, it does add another dimension which improves the triangularity (Easterby-Smith et al., 2021).

Firstly, we have seen countless hours of secondary visual data, primarily on YouTube. These videos were not intended for research, and we have not treated them as such either. Rather, we have reviewed the material to gain deeper and richer personal understanding for the brand, costumers, and the industry. These types of videos are included, but not limited to company communication, advertisements, consumer reviews and competitor comparisons. It is with caution and deep consideration that we have included some of the data from these observations to the empirical case. For this to happen, it must come from a verifiable and credible source, such as Polestar's official YouTube channel. For these observations, we have taken the stance as a complete observer, which means that there has no direct engagement with the studied object (Easterby-Smith et al., 2021).

During our visits to the Polestar headquarter, and the Polestar Space, we were invited to a total of three separate guided tours. During these tours we got to see parts of the headquarter that are

normally inaccessible to visitor, the full Polestar Space, and a full experience of the cars, including a test drive. We were interested in capturing details, nuances and expressions that could reveal hints or traces of Polestar's positioning. During the tours we shot photographs when permitted - which classifies as primary visual data (Easterby-Smith et al., 2021). We also actively took field, which we then wrote up and expanded on later the same evening after every tour. Furthermore, we actively engaged with the guides and other employees that we met during the tours, and our purpose and intensions were always transparent and clear. During these tours, we took the stance as participant-as-observer (Easterby-Smith et al., 2021).

3.5.3   Secondary data

In business research secondary data can play an important role as a complement to the primary data, and this is also a common practice for case studies (Easterby-Smith et al., 2021). A benefit with using secondary sources is that all it is resource-efficient, very little time and effort is needed to gather rich data. On the other hand, it is hard to verify the quality of the methods since it is someone else who collected the data. This person most probably also had another purpose with the data, which is why it's important to treat it with caution and to always review the source, as the findings are not always directly transferable to other contexts (Easterby-Smith et al., 2021). Therefore, it's a good idea to have at least two sources that independent of each other confirm the same finding when using secondary data.

In this thesis we have used secondary data for reviewing the literature as well as building our empirical case. All the data have been free and accessible for anyone online, or via Lund University Library Databases. The only exception is some books, that we had to borrow directly from the library.

The most common different types of secondary sources that have been used in this thesis can be overviewed in Table 3.

Table 3. Overview of the secondary data sources.

Source	Place
Company reports	Online
Industry reports	Online

Journal articles	Online
Books	Online/Library
News articles	Online
Company websites	Online
Press releases	Online
Videos	Online

3.6 Data analysis

3.6.1 Structure of empirical results

Earlier in this chapter, it was discussed that we are following an abductive approach. This means that we are simultaneously engaging in empirical grounding (collecting relevant data) and developing our theoretical framework. The first version of our framework came after first being introduced to the Polestar case, as well as reviewing relevant positioning literature, and can be seen in Table 4 below. In order to ensure the theoretical and practical relevance and validity of our framework, we decided to set some specific requirements that we would have to meet. These requirements are as follows:

1. It must connect the used concepts in a comprehensible and comprehensive manner.
2. It must guide managers through the process of positioning, which includes evaluating the attractiveness of certain positions, as well as judging the plausibility of the firm occupying said positions.
3. It must be universal enough to the point where its usefulness would not be limited to specific scenarios.
4. It must explain key relationships between the different elements included.
5. It must be formulated in a way to be open for further enhancements if researchers were to aim for expanding on the approach in the future.

Table 4. Our preliminary positioning framework

Questions by Urde and Koch (2014)	Framework element
In which market?	Competition
For whom?	Market Demand
Promising what?	Brand Identity
Proven by what?	Evidence

The question "In which market?" aims to define the "competitive set" within which the business exists, meaning how it defines the market that it are in, and the competitors that it is competing against. The question "For whom?" focuses on characterizing the market, and the consumers and their needs and wants. Conversely, "Promising what?" aims to examine the firm's preferred brand identity. Finally, the question "Proven by what?" is concerned with finding justification for the firm's decisions. We chose to structure the empirical data in accordance with this framework, to check whether it can thoroughly explain the data provided.

3.6.2   Analysing qualitative data

Qualitative research does not typically follow a strict structure. Commonly, the process of data collection and analysis overlap with each other (Easterby-Smith et al., 2021). It is more likely to happen within an engaged approach, due to the researchers being actively involved in the object or phenomenon that they are researching, which applies to this thesis as well. Eisenhardt (1989) argues that data analysis is of critical importance in case studies, yet states that it is also the most difficult one. The author argues that detailed case study writeups should initially be generated, as they are helpful to sort through the large amounts of data that researchers collect in the beginning stages. This allows for patterns to emerge, which can then be analysed.

After collecting our initial data, we aimed to categorise it in the way that was described in the previous section. We then looked for common themes, aiming to locate support from different

respondents for every statement made. The final stage of data analysis involved connecting the chosen theories to those patterns and applying the frameworks in accordance with their respective rules and requirements.

3.7 Validity and reliability

3.7.1 Validity

A typical classical, and positivist, perspective of validity is "the extent to which measures and research findings provide an accurate representation of the things they are supposed to be describing" (Easterby-Smith et al., 2021, p.108). Another way of describing validity in a constructionist design, is with the three criteria authenticity, plausibility, and criticality (Easterby-Smith et al., 2021). Being authentic in this context means that the researcher shows reliably and believably that they have excellent knowledge and understanding of what is happening in the organisation. Plausibility is about not acting in vacuum, but rather connecting with other relevant and interesting research; and criticality means to challenge and question normal assumptions, and in that way truly offer a new perspective. (Easterby-Smith et al., 2021) summaries it by stating that in constructionism, validity is about including a sufficient number of perspectives. This relates to the belief that multiple realities exist, which makes it less important to be concerned about painting an accurate picture of reality, because which reality would be chosen? One way to come around this problem is by using triangulation (Easterby-Smith et al., 2021), which in essence is about including enough methods to reach validity. The logic behind this is that by gathering rich data from many different sources/people and angles, one can start to see the shape of the aggregated reality that is shared among all these sources. Hence, the best way to reach high validity in a case study with a constructionist epistemology, like this one, is by using a variety of methods that investigate people's different "realities". As we have already mentioned earlier in this chapter, that is exactly what we have done.

Our way of handling validity in this thesis has been through a variation of multiple qualitative methods. By highlighting the so called 'reality' with all available relevant methods, and by aiming to gather rich data and personalised data through close interactions with people

3.7.2 Reliability

Reliability is summarised as "Will similar observations be reached by other observers?" (Easterby-Smith et al., 2021, p.146). Our short and concise answer to that is yes, because we have carefully noted our procedures, kept our records in order, and transparently shared how we have done in this chapter.

4 Empirical data – the Polestar case

The following section provides an overview of our collected empirical data. The data is sorted under the four different aspects of the Pole Position Framework, answering the positioning questions derived from the literature review: "In which market?", "For whom?", "Promising what?", and "Proven by what?"

4.1 In which market?

Kapferer (2012) states that the positioning question "In which market?" refers to the market in question – not a geographical place, but rather the "competitive set" of the firm. Thus, this segment is focused on defining and characterizing the competition.

In the Polestar investor presentation (Polestar, 2021b), Polestar provides an overview on the landscape in which they consider themselves operating in; this can be seen in Table 5 below. Defined broadly, Polestar considers itself to be part of the broader EV and luxury segment, while at the narrowest level, they define themselves as a global purely EV car manufacturer. Regarding competition, the Chief Marketing Officer stated:

> There's a huge amount of competition out there, and that is only getting stronger through time, particularly now when the big traditional OEM are really starting to wave in. That's why it's going to be so crucial that we position this brand to find a niche that can really sort of [carve out] its space in this quite complex ecosystem of brands and businesses. (Chief Marketing Officer)

Next, a brief dossier of the most notable competitors will be provided. A more extensive overview of select car models can be found in Appendix A.

Table 5. Overview of Polestar's competitive landscape (Polestar, 2021b).

Broader EV and luxury landscape	Estimated EV Share of +35% by 2025	EV pure plays	Global EV pure plays
Tesla	Tesla	Tesla	Tesla
Polestar	Polestar	Polestar	Polestar
Lucid	Lucid	Lucid	
NIO	NIO	NIO	
XPeng	XPeng	XPeng	
Porsche	Porsche		
Volvo	Volvo		
BMW	BMW		
Audi			
Mercedes Benz			
Jaguar			

4.1.1 Tesla

Tesla and Polestar are the only two global players producing premium EV cars exclusively (Polestar, 2022g), which makes Tesla the main competitor to Polestar. Being an EV-pure play, Tesla has optimised its platforms for BEVs, which comes with multiply benefits, such as better battery storage, weight distribution and cabin/storage capacity (Ganesh & Venkatesan, 2021). In contrast, most traditional car brands have reused their old combustion engine vehicle platforms for their new EV cars, making them relatively inefficient (Ganesh & Venkatesan, 2021). Even Polestar is yet to release its first model built on a native EV platform, the Polestar 5, but until then, they rely on Volvo platforms (Volvo, 2020).

The flagship Tesla Model S Plaid currently holds the record as the fastest production car, it does 0-100 km/h in 2.1 seconds, has a range of 637 km, and a price tag of $135,990 (Tesla, 2022b). Moreover, all Tesla cars tend to figure at the top of BEV range ratings while upholding fast acceleration (Kane, 2022a).

Tesla cars are equipped with sensors and cameras to support full self-driving (FSD) capability in the future, which is supposed to come as an over-the-air software update (Tesla, 2022a). All Tesla cars are extremely minimalistic designed, with virtually no buttons because everything, even the glove compartment, is controlled through a large touchscreen (DeBord, 2017). Elon Musk has hinted, that this is because when the cars become fully self-driving, they will be able to operate as robo-taxis (Templeton, 2022), competing with services like Uber and Lyft while generating income for the car owner. These kinds of ideas and Elon Musk's visionary persona have attracted a strong community around him and the company (Ball, Kluger, Garza, Espada, Popli & Zorthian, 2021), which gives him and the company plenty of free press; Tesla does not spend a single dollar on conventional advertisement (Armstrong, 2022). However, Elon Musk likes to do stunts, and in 2018 he sent a Tesla Roadster to space in a rocket from his other company, SpaceX (Rich, 2018).

Tesla has taken a holistic approach to its business by ensuring that they have all the infrastructure needed to sustain a competitive advantage. They have built high-tech manufacturing facilities from scratch (Kane, 2022b), but their critics claim that they lack the proper skills to manufacture quality cars as reports on poor panel alignment and paint jobs have kept coming in (Isidore, 2022). Moreover, they have built their own "Gigafactories", i.e., large battery-manufacturing plants, to supply their cars with the best and latest battery technology (Cooke, 2020). Additionally, they have also built a global network with more than 30,000 Superchargers, which can conveniently fast charge the Tesla at strategically located stations worldwide (Tesla, 2022c). The company has been pleasantly rewarded on the stock exchange with a market cap that in 2021 exceeded $1 trillion, which at the time was more than the ten other largest car manufacturers by revenue, combined (Tully, 2021).

4.1.2   Lucid Motors

With Tesla being a leader in the EV market, Lucid Motors is another formidable opponent to Polestar. The company focuses on post-luxurious (rather than traditional-luxurious), high-

performance and efficient premium cars; being based in California, they also heavily lean on American culture and being based near the Silicon Valley as selling points (Lucid, 2022f; Lucid, 2022g; Lucid, 2022c; Lucid, 2021). Sustainability-wise, Lucid aims to build the most efficient EVs possible; they advertise their flagship sedan Lucid Air as the highest range efficiency per mile of any EV on the market (Lucid, 2022h). Lucid also seeks materials from the most sustainable suppliers, focusing on recyclability and sustainability standards (Lucid, 2022h).

Lucid's flagship car model - Lucid Dream Edition - is one of the few that surpasses Tesla's range and can drive 840 km on a single charge (Lucid, 2022a). Its 1,111 horsepower also enables the car to make 0-100km/h in mere 2.5 seconds (Lucid, 2022a). The cheapest car in the range comes at $77,400, with the mentioned "Tesla slayer" being priced at a base price of $169,000 (Lucid, 2022d). The company also promises free charging in the US and Canada for three years (Lucid, 2022b).

Lucid had a market cap north of $90 billion in 2021, surpassing legacy manufacturers like Ford and General Motors (Dey, 2021), but has slid down to around $30 billion after a few months of turbulence on the stock market (Finance, 2022). Notably, however, up until now Lucid has an unproven quality and track record and has been having trouble delivering on its promises. Lucid Air was initially scheduled to release during the first half of 2021 but was delayed to the second half instead, and despite customer reservations exceeding 25,000 units, only 125 units were delivered by the end of 2021 (O'Kane & Ludlow, 2022). The company says it intends to ramp up its production units to ~13,000 units per year by the end of 2022 (Lucid, 2022e). While both Tesla and Lucid Motors are Polestar's main competitors in the West, the opposing side of the world is just as, if not more threatening.

4.1.3   NIO

Standing out from over 300 EV start-ups in China, NIO is a manufacturer that offers premium smart electric vehicles (NIO, 2022a). The company uses its unique technology of battery swapping as a basis for positioning and gaining a competitive advantage (NIO, 2022a); essentially, instead of charging the car, you can let the fully automated station swap your battery to a fully charged one in less than five minutes. NIO also tries to differentiate by continuously advancing in other technological innovations, such as autonomous driving, digital technology, and electrical

powertrains (NIO Co., 2021). Since the start in 2018, NIO has introduced five street-legal car models (the first model was introduced 2016 and is a high-performance sports car for track use only), which all have been SUVs or sedans, with the full-sized flagship sedan ET7 being the latest addition to hit the market (NIO, 2022a). It promises a, yet to be proven, 1,000 km range on a full charge with its upcoming solid-state battery (NIO Co., 2021), a technology that the industry is believed to be years away from (Verma, 2022). NIO defines the car as "a second living room", promoting comfortability, cosiness, and abundance of space (NIO, 2022c). While NIO is currently primarily present in China, it has entered the Norwegian market and is looking to expand into three more European countries within 2022, i.e., Sweden, the Netherlands and Germany, and by 2025 they aim to be present in more than 25 countries and regions worldwide (NIO, 2022b). NIO is generally one of the more well-known Chinese EV firms in the western markets, however it is not the only Chinese company that Polestar considers its main competition.

4.1.4 XPeng

Founded in 2014, XPeng is a young Chinese start-up that mainly targets the technology-savvy middle-class consumers in the mid- to high-end segment in China by offering smart EVs with proprietary software, core hardware and data technologies (XPeng, 2022b). XPeng first and foremost identifies as a technology company within the mobility industry rather than as a car manufacturer, and it believes that technology is going to be the driver for the change; for example, XPeng even works on flying vehicles (XPeng, 2022a). The company can be said to use affordability of its models as a basis for positioning, as their flagship model P7 (a mid-sized sedan) is priced cheaper than the competition, at around $50,000. Otherwise, the car offers 0-100 km/h acceleration of almost seven seconds, with a range of 530 km (Blanco, 2021; XPeng, 2022d). XPeng has so far completed the construction of one factory which is up to industry 4.0 standards, and has two more under construction (XPeng, 2022a). When all are completed, they will be able to produce up to 600,000 vehicles per year (XPeng, 2022a). The company has an omnichannel and data-driven sales model that optimise their marketing efforts (XPeng, 2022b), and it has already started its global expansion to four European countries, namely Norway, Sweden, Denmark and the Netherlands (XPeng, 2022c). Their philosophy is about "Putting people over performance" and, they emphasise that human experience is constantly changing, so they must never stop innovating (XPeng, 2022a).

While Polestar certainly invests into knowing their competition, that is not the only external factor that the firm considers.

4.2   For whom?

Kapferer (2012) states that the positioning question "For whom?" refers to the target segment. Thus, this section aims to analyse the geographical markets, industry trends, as well as consumers and their wants and needs.

In an interview with a Global PR and Communications representative, a surprising answer was given to the question of who the target audience of Polestar was:

> We don't do traditional segmentation analysis, instead, we aim to attract everyone who has a particular mindset and involve them in the process. We build products that we love and are passionate about, and we hope that other people will share our enthusiasm, regardless variables such as sex or age. Our customers literally stretch from late teens to people well above their eighties. (Global PR and Communications representative at Polestar)

Pär Heyden - Head of Brand at Polestar, spoke during the Polestar Night (Polestar's investor event) about how they see their customers, and he described them as "modern, intelligent people who represent a hopeful and optimistic view of the future" (Heyden, 2021). The Chief Marketing Officer gave their view on the matter, and he pointed that they appeal to people who appreciate their core values of design, technology, and sustainability. According to him, many of these like nature and are prepared to try new and different things. While traditional customer segmentation may not be occurring at Polestar, they seem to have managed to align with some of the wider trends in tin the industry.

4.2.1   Consumer and industry trends

Polestar's industry is currently undergoing noticeable reshaping. Leading industry experts point out several key trends in the automotive industry that are rapidly changing (Kaas, Mohr, Gao, Müller, Wee, Hensley, Guan, Möller, Eckhard, Bray, Beiker, Brotschi & Kohler, 2016; Kuhnert, Stürmer & Koster, 2018). One of the most prominent trends is the shift from internal combustion engines towards fully battery electric vehicles (BEVs). Combustion engines emit greenhouse gases

that contribute to global warming, and they pollute the environment with fumes that are especially dangerous in densely populated cities. Furthermore, the engines are noisy, which is an additional health concern. Electric vehicles are better at all these things, which politicians, scientists, and consumers have noticed (Rezvani, Jansson & Bodin, 2015; Liao, Molin & van Wee, 2017; Kumar & Alok, 2020; Black, 2010). Many countries now offer tax incentives and use legal tools to accelerate the transition to BEVs, and consumers are becoming more conscious of their footprint (Sierzchula, Bakker, Maat & van Wee, 2014; Gallagher & Muehlegger, 2011; Münzel, Plötz, Sprei & Gnann, 2019; Hardman, 2019). As a result of this, virtually all legacy OEMs have declared that they are, sooner or later, going at least partially electric (Motavalli, 2021).

Beyond electrification, connectivity is expected to be another major trend in the upcoming years (Kaas et al., 2016; Kuhnert, Stürmer & Koster, 2018). The modern car is part of the *Internet-of-Things*, which means they are internet-connected supercomputers that communicate and integrate with other digital devices, such as smartphones, other vehicles, or even traffic lights (Jelenković, 2020). It provides its passengers with live information, entertainment (e.g., movies, games, podcasts), and new technological features such as partial, or soon full, autonomous driving, intelligent voice assistants, and third-party apps. Furthermore, they can often be updated over-the-air, making the cars better with time. These kinds of connectivity features have proven to increase the level customer engagement significantly (Ullah, Zhang & Ahmed, 2021). Big tech players from Silicon Valley are keen to offer their software platforms for infotainment systems, which integrate seamlessly with their digital ecosystems (Nylen, 2021). Still, some automakers have instead decided to try to develop this on their own (Holmes & Alaniz, 2019).

Regardless of all technological advancements, not everyone needs to own a car anymore; a typical car is only driven about five per cent of the time (Morris, 2016). Kaas et al. (2016) and Kuhnert, Stürmer and Koster (2018) emphasize in their reports that traditional car ownership is soon out-of-date, and that automakers must start looking into new business models. They argue that car ownership may feel abundant to urban people who have access to quick delivery services and proper public transportation. When the need for a car still occurs, they mention that there are other options than owning one, e.g., convenient app-based car rentals that only charge for the driven time and distance. As the cars become connected and autonomous, the sharing concepts will enable an on-demand service. Those who despite this still like to have a personal vehicle would

traditionally go to a local car dealer, but that is changing too as car sales online surges (Saini & Madhavan, 2020; Bacher & Manowicz, 2020).

Customers in the market for a BEV look for other things than what they would when buying a combustion engine vehicle. Apart from the typical attributes that one would look for in any car, BEVs generally differ significantly in a few areas. A Strategy and Business Developer talked about the price difference in one of our interviews:

> Most EVs are produced in relatively small scale, which leads to high production costs, and batteries still cost a fortune. Until the industry and battery manufacturing reach true economics-of-scale, it is almost impossible to profitably sell lower-end EVs, which is why most electric brands focus on the premium market. Electric powertrains are extremely powerful, and that makes them suitable for premium performance cars. But with higher prices comes higher expectations in terms of quality and services, and we need to become better at meeting some of those. An example could be that our handover-points should be closer to our customers, and that becomes a challenge when we operate globally. (Strategy- and Business Developer at Polestar)

Tax incentives, and generally lower fuel and maintenance cost, also partially compensate the burden of a high initial cost, and prices are expected to decline with time as the market matures (Winters, 2021).

The range of BEVs is typically shorter than that of internal combustion engine vehicles. Additionally, keeping the battery between 20-80% charge is recommended to ensure good battery health and optimise charging times, which means that in normal settings, only 60% of the specified range is used (Kostopoulos, Spyropoulos & Kaldellis, 2020). Furthermore, the actual range is often lower than what the manufacturers claim, and varies a lot depending on temperature and driving style (Polestar, 2022i). New battery technologies or even bigger batteries can improve total battery capacity, but it comes at a price since the battery pack is the most expensive component in a BEV (Stringer & Park, 2021). The need for range naturally varies depending on the region or city type, e.g., people tend to drive longer distances in America than in Europe (Kaas et al., 2016).

The problem with shorter range is amplified by long charging times. The ease of access to good charging infrastructure has proven to be crucial for EV adaption (Mersky, Sprei, Samaras & Qian,

2016), since far from everyone can charge at home, and charging networks are still evolving at varying speeds around the world (Funke, Sprei, Gnann & Plötz, 2019). Kumar, Kumar and Aggarwal (2022) point out that most drivers need to plan their route carefully when they go further than their daily commute. When, or rather if, an available and functioning charger is found, it's uncertain what the charging speed will be as it depends on both the car and the charger, and if there's a mismatch, it will always charge at the lower speed. The charging networks are fragmented, and each often requires a paid subscription to ensure reasonable prices. Most networks also require an app with a dedicated account and a registered electronic payment method. These setups have proven to be difficult and frustrating to many drivers (Hardman & Tal, 2021).

A notable point when choosing a BEV is what the word "performance" means to a customer. Lee (2021) from Best Electric Vehicle noted in their Polestar 2 review:

> What diehard Tesla fans don't understand is that not everyone purely cares about the stats sheet – for many people, it's about how you do that performance, and what the car looks like, the experience in it as well. […] If you want the all-out performance winner, Tesla is going to be your first choice every day of the week, but there's more to life than just that… (Lee, 2021)

A similar argumentation was heard from a Polestar Specialist in the Polestar Space in Malmö. When asked about what kind of feedback the company receives from customers, they said:

> Most people compare Polestar to Tesla, and in that comparison, many appreciate the feeling of the Polestars in the sense that they feel familiar and like real cars with the traditional interior design, while Tesla comes out as a bit cold with its minimalistic appearance. On the other hand, people also complain about the range on the Polestar, which is more extensive on the Tesla for similar priced models.

Along with consumer and industry trends, it also paramount to understand how the overall market may looks and will change in the future.

4.2.2 Global EV market

Polestar is one among many EV players around the world. The total global EV market revenue is expected to grow from $260 billion in 2020 to around $1 trillion by 2026 (Intelligence, 2022). The premium EV sector is seen as the fastest-growing segment within the EV sector, Polestar (2022g) predicts the compound annual growth rate to be +29% between 2020 and 2025. If proven true, this would lead to a market size development from 1.4 million units to 4.9 million units, with the predicted luxury EV segment value being valued at $280-320 billion by 2025 (Polestar, 2022g). They further project that EVs will represent about 26% of total car sales in 2030, increasing that number to 72% in 2040. Better charging solutions and the development of charging networks, increased regulation, consumer behavioural evolution and technology adaption in the significant markets would be essential drivers for this immense growth (Polestar, 2022g).

Competition and the market are two external elements that shape Polestar's positioning. However, there are also two internal elements that will be presented in the following sections.

4.3 Promising what?

Kapferer (2012) relates the question "Promising what?" to the key elements of the brand identity. Therefore, this section presents material related to Polestar's brand.

One of the first interactions many people may have with Polestar is their website. There, the company writes: "We aim to improve the society we live in by accelerating the change to sustainable mobility." (Polestar, 2022a). When we visited the Polestar HQ in Gothenburg, we observed a wall with a bold text written all over it. The statement reads:

> Polestar - the guiding star. We are an electric performance brand, determined to improve the society we live in. Our focus is on uncompromised design and technology. Passion and emotion drive us, electricity and innovation drive our cars. Our products are excellent, efficient and entertaining. In Polestar's future, there is no room for shortcuts, excuses or compromises. We are all in, dedicated on our ambition. Guiding our industry forward through pure, progressive, performance. At Polestar, the sky is the limit.

The link between the Polestar and Volvo remains hidden behind the scenes to this day; even though they are neighbours in Gothenburg, Polestar manufactures its cars as a standalone brand. The Talent Management representative we talked to express their worries about it:

> Culture is an important part of our identity, and we must make sure that we get it right from the very beginning. The people who have been here the longest have only been here about four years. With Volvo just across the street, how do we avoid inheriting the culture from there? And how do we avoid that our culture becomes too HQ-centric when we're a global company? (Talent Management representative at Polestar)

A representative from Internal Communications - who previously used to work for Volvo – still sees some strings attached, and they describe Polestar as Volvo's "rebellious little sister" – both in its culture and products. They emphasise that Polestar is a young, fast moving and relatively flat company, while the "big brother" is the opposite, but that they also share many values, such as the Scandinavian design and workplace culture. Officially though, Polestar writes on their website: "We have no legacy, no ties to the past; we are free to find the right way." (Polestar, 2022b). The PR and Communication representative explained that they want to shape a new legacy with their own brand lore. They added that "real brands don't tell stories, they are the story". The Chief Marketing Officer stated in their presentation that they believed storytelling is what would ultimately differentiate Polestar. When he was asked about Polestar's ties to Volvo, and why it does not market itself as a Volvo-(sub)brand and adopt the safety-centric focus they have, they said:

> We're a standalone brand, and we want and need to differentiate ourselves from Volvo. But that's not that we're not hugely proud of where we come from, so safety will be built in full stop, and the car behind me [Polestar 2] is a Euro NCAP 5-star car, it's up there as good as it gets. That I don't think will change, nor do I think it should, but I don't think it's going to be something that we're going to lean on in the same way as Volvo will. Volvo comes from this warm, inclusive, family- and safety-oriented space, whereas we see ourselves in a much cooler space, as in colder, with a greater driver focus and higher exclusivity; we're pricing that sort of expression of Scandinavian design rather than the other. But are we going to start making cars that aren't genuinely safe? No, we are not. But

today safety is a more of a hygiene factor, and not something that stands out for a new brand. (Chief Marketing Officer)

Besides creating their own stories, Polestar likes to collaborate with others who can share their stories. For example, the Brand and Communications representative told us about when they were approached by the luxury fashion-house Balenciaga, and Polestar's cars were displayed on Balenciaga's virtual show. They told us that they happily collaborate with other brands, preferably luxury brands, who align with their three core messages: sustainability, design, and technology.

Polestar does not define itself as an automotive brand per se, but rather as a designer brand, according to the Internal Communications representative. They explain that the company sees their products and technology as street art. The Global Technical Communications representative had a similar take:

> It's no coincidence that our CEO has a background as Chief Design Officer, design is in the core of everything we do. The first few years we didn't have any bins in the entrance [of the HQ], because he thought they were too ugly. Eventually it became too much of an inconvenience with all the visitors, but it says something about how important design is to us. (The Global Technical Communications representative)

When asked to expand more on their design philosophy, they continued:

> We call our design avant-garde high-tech minimalism. We give free reign to our designers, and product development is always put in the forefront. Our cars are slick, with a carefully selected monochrome colour pallet and minimalistic feel. Looking closer at the details, one can see things like the frameless side mirrors, headlights in the shape of [the Norse mythological thunder God] Thor's hammer, and golden coloured seatbelts that contrast the neutral-coloured seats. If you look up to the panoramic roof, you can see one of my personal favourite details; the Polestar logo is projected onto the glass which resembles a star in the sky. (The Global Technical Communications representative)

As we have observed during our visit in Malmö, The Polestar "Spaces", or showrooms, reflect the same design philosophy. The spaces are built in city centres and high streets, typically next to an Apple store or similar, featuring monochrome colours and clean and minimalistic interiors that create a similar feeling to visiting an art gallery. We read on a plaque in the Polestar HQ, that

Polestar aims to not only entertain the senses of sight or feel, but also hearing. Therefore, they collaborated with Lisa Nordström, a highly acclaimed Swedish musician, composer, and producer. She made four custom albums to be played all day long in the Spaces, and the music aims to reflect the character and vibe of the brand. We have additionally noted that also their videos often feature music, ranging from smooth jazz that could be taken directly from a wine evening in an art gallery, to ominous electronic music that brings the viewer to outer space.

Art, and the expression through art, is a reoccurring theme for the brand, which is demonstrated by the fact that the Polestar 1 could be traded 'art-for-art', without any monetary compensation (Mårtensson, 2022). The Head of Brand at Polestar has stated that they restrain themselves from marketing Polestar as many others, with the cars photographed outside a house while charging to ensure everyone knows it's electric; instead, they focus on beautiful, uncluttered, and artistic settings that represent a bright future (Heyden, 2021). The PR and Communications representative told us that they work hard to create creative content that is both credible and relevant. They mentioned a few campaigns that they've done so far, as examples of that. One was when Polestar 2 was first introduced; the reveal invitation was designed as a breakup letter, where Polestar poetically states why it's separating from the car industry to pursue its own path by going fully electric:

> Dear car industry, this will not be easy. Look at us, is this what we've become? The things we share are all too rare. The times we find common ground are all too seldom. It seems you can't make up your mind. On one hand you look to the future with visions of a better tomorrow, but on the other, you cling on to the past, going round in circles. We're just too different. Everything has its time, everything comes to an end. Promises won't work anymore. Things need to change, fast. So from now on, we have to go our separate ways. Sometimes, it's time to move on. (Polestar, 2019)

Another example mentioned was its recent Super Bowl ad. As the representative explained, this ad showed how Polestar is different to the rest of the industry, and other Super Bowl ads, by stating "no-statements":

> No epic voiceovers, No punchlines, No dieselgate, No conquering Mars, No dirty secrets, No hidden agenda, No empty promises, No shortcuts, No settling, No greenwashing, No

blah blah blah, No nonsense, No committees, No consensus, No compromises. (Polestar, 2022d)

The Brand and Marketing representative admits that they could be seen as provocative by taking jabs at their competitors in their communications but believes that they are transparent enough and can back up any statement put out there, which they also did on their website. The Super Bowl proved to be highly effective – it ranked as the number one top-performing Super Bowl ad of 2022, and performed 23 times better at driving brand search than the median (EDO, 2022). The jab aimed at Tesla was undoubtedly one of the most talked-about moments, as Tesla's supporters were at the forefront of numerous intense debates that had sparked, something that took Polestar's branding and marketing team by surprise, according to their representative.

Polestar has adopted a "digital-first" approach, which means that the only way to buy a Polestar is on their website, at fixed rates. Although being digital-first, it's not *only* digital. The Chief Marketing Officer explained:

> When it comes to a purchase of this size, there's a fair amount of thought process going on; still, there is also much heart, so it's crucial that we can enable people to crawl all over the products to get an understanding and feel of it before deciding to purchase or not. (Chief Marketing Officer)

According to the Chief Marketing Officer, that is why they developed Polestar Spaces - places for customers to explore the brand and everything about it from inside and out. They stated that the firm does not believe in having salespeople sell the cars; instead, they pay experts a fixed salary to assist the customers. They believe this results in the company presenting a more truthful image of the car to potential buyers. The same philosophy is stated on Polestar's website:

> You're free to get to know our cars without pressure or distraction. With enthusiastic expert assistance available if you need it. No commission, no negotiation, no pressure. (Polestar, 2022c)

Each car can be customised to a certain degree, but the customisation options are limited to make the process as straightforward as possible without any unnecessary clutter, as the Chief Marketing Officer explained. The Polestar 2, for example, only has three pre-sets that buyers can choose from, and even exterior colours are limited to seven options (Polestar, 2022f). Additionally, customers

can purchase pre-owned Polestars on their website just as easily as a new one; each used vehicle comes with at least two years of warranty, and Polestar's technicians examine every vehicle beforehand to ensure that it is up to standard (Polestar, 2022h).

On the topic of performance and how important that is to Polestar, the Chief Marketing Officer had a lot to tell us:

> The performance of electric cars is insane. The way electric motors work is that they can deliver all of their torque instantly. That mean that your car has incredible woosh-value. But all electric cars can do that, and that's not going to differentiate, in my opinion, what becomes a performance version. What will be a performance version in a traditional sense is how it will drive, how it works around the bends and not just on the straights. Performance from our perspective is much broader than just this constant focus on 0-60, [miles per hour ≈ 100 km/h]. Electric cars do 0-60 better than any other sort of car, so I think we'll be absolutely fine on that front.

When prompted to expand on how Polestar might differentiate itself performance-wise, he stated:

> We got to try to retain the soul and the emotion of the car, the fact that it is fun and an enjoyable place and product to interact with. And that interaction is going to start to move more deeply into the Android based infotainment system, the way in which you interact with the vehicle and the way it interacts with you, the way that it knows where you are, it builds context. When you run out of energy it automatically plots out a route to the nearest charger, and while it doesn't maybe do it at all charging stations today, it has the opportunity to tell if there's someone at it, to tell you how fast it's charging; to work out all of these things for you to make your life more seamless, and that for me is part of performance. (Chief Marketing Officer)

When we asked the Global Technical Communications representative what performance means to them, they took a more traditional approach:

> After all, the company was once founded to tune and make performance upgrades to racing cars, the difference now is that we use that knowledge for our own cars instead. A race car doesn't only need a strong engine, it needs superior breaks, premium suspension, and responsive steering. We offer best-in-class hardware: Brembo brakes, Öhlins dampers, and

forged alloy wheels, but not only that, we even make software upgrades to make the cars better with time. (Global Technical Communications representative)

We asked them to elaborate on how they work with software, whereas they explained that Polestar has partnered with Google and implemented the first ever native Android Automotive operating system, making the cars internet-connected high-tech computers on wheels, all controlled through a large touch screen or by the integrated Google voice assistant. This is what enables the over-the-air updates to improve the car even after purchase. But not all upgrades come for free, which opens for a new business opportunity; recently, they released their first "pay-for-performance-upgrade", a software that could be downloaded to the car for ~\$1,130 to increase its performance by ~67hp, all according to the Global Technical Communications representative.

The Branding and Marketing representative highlighted that one of Polestar's most significant aims is to be the leading sustainable car manufacturer. During the 2021 climate summit in Glasgow, COP26, the firm launched a marketing campaign called "Set in stone", where the sustainability goals were engraved into a marble plaque. Polestar aims to create a completely carbon-neutral car, halve its emissions by 2030 and become a climate-neutral company by 2040. They explained the company's view on combining premium and sustainability:

> For us, not only does this mean obtaining total supply chain transparency or designing the vehicles in a circular design, but it's also about completely redefining premium. Premium for us doesn't mean leather and chrome, it can just as well be recycled plastics and flax fibre composite. (The Branding and Marketing representative)

As a result, Polestar has initiated the Polestar 0 project, where they sent out an open call for collaboration in CO_2 emission reductions together with other actors. Hans Pehrson, Head of the Polestar 0 project, formulated it this way:

> A fully sustainable society requires us to work together in unprecedented ways. That's why a shifted focus is needed, and we want to join forces with those who are equally determined to make this vision a reality. (Perhson, 2022)

Nordic steel and metals producer SSAB, Norwegian aluminium and renewable energy company Hydro, automotive systems supplier ZF, automotive lighting manufacturer ZKW, and automotive safety supplier Autoliv have all signed a Letter of Intent to participate in the project and help fulfil

the goal of producing a climate-neutral car by 2030 (Broomé, 2022). Additionally, in 2021 Polestar and Volvo entered a 50/50 joint venture with Northvolt – a Swedish company specialising in large-scale manufacturing of sustainable batteries (Northvolt, 2021). The JV has built a development centre and aims to develop state-of-the-art sustainable battery cells that will specifically be used for Volvo and Polestar cars (Northvolt, 2021). Additionally, by 2025 the JV will build a Gigafactory in Gothenburg with a potential capacity of up to 50 GWh a year (Northvolt, 2022). The factory seeks to run on 100% clean energy, contributing significantly towards a fully sustainable supply chain that Polestar aims to have (Northvolt, 2022).

4.4   Proven by what?

The fourth positioning question posed by Urde & Koch (2014) is "Proven by what?", which is argued to stand for "evidence supporting the value proposition". Therefore, this segment focuses on finding how Polestar supports its strategy.

Polestar's roots can be traced to 1996 when it was established as a motorsports team under a different name, the Chief Marketing Officer told us. He explained that the company worked closely with Volvo from the start by tuning existing Volvo models and using them in races, and that in 2009, Polestar became Volvo's official partner for existing model modifications under the brand name "Polestar Performance". Six years later, Volvo – with its Chinese parent company Zhejiang Geely Holding - bought Polestar and made it a subsidiary for high-end electric performance cars. Today, they own 49.5% and 50.5% of it, respectively (Polestar, 2022g). This has given Polestar unique conditions as a new brand:

> We are small enough to act like a start-up and display the agility of one while remaining asset-light; however, we also have access to the resources of our parent companies which are providing us with a considerable advantage. This has enabled us to be global from day one. (Chief Marketing Officer)

For example, Polestar utilises Volvo's existing infrastructure and service points when expanding to new markets. While both parent companies assist Polestar by providing manufacturing capabilities and logistics and supply chain solutions, each has its standalone responsibilities; Geely assists in procurement and architecture development, whereas Volvo provides testing and

verification and helps with engineering design, and Polestar is responsible for product design and validation, vehicle attributes, digital offerings, distribution, and managing its D2C (direct to consumer) model (Polestar, 2022g).

In 2017, the firm announced its first model and halo product – a two-door hybrid sports car labelled "Polestar 1" (Ellis, 2017). On its product page one can read:

> We didn't design Polestar 1 to compete with other cars or to suit a specific target customer. This car is all about pushing boundaries and making a statement. A work of art in its own right, as well as a platform for creative expression. A real shot across the bow of automotive traditions. (Polestar, 2022e)

The Polestar 1 is still available for $155,000, but the production is limited to 1,500 total units, and it's currently in its final production year (Polestar, 2022e). The overall power output of the car with all three engines combined is 600 horsepower, it does 0-100 km/h in 3.9 seconds, and the batteries alone can run the car for 124 km, which is the most extensive electric range for any hybrid vehicle (Ellis, 2017; Polestar, 2022e). It almost identical with the Volvo Concept Coupé from 2013, and the Global Technical Communications representative told us that the design was heavily inspired of the Volvo P1800 – a car discontinued in 1973. When asked why they, as a profiled electric vehicle brand, started with a hybrid, he replied by saying that "the Polestar 1 is like saying goodbye to the traditional car, and it will be the only Polestar model ever to have a combustion engine" (Global Technical Communications representative). After being announced in 2017, the car officially hit the roads in 2019.

The same year, the manufacturer announced Polestar 2 - this time a 100% electric 5-door liftback with a range of 440-542 km, depending on configuration, and up to as fast as doing 0-100 in 4.7 seconds, which now is down to 4.4 with the software upgrade (Ellis, 2019; Polestar, 2022f; Ellis, 2021). It that was fully released in 2020, and with a design almost identical to the Volvo 40.2 concept, first shown in 2016. The price tag on this model was much lower, about one-third of its predecessor. We were told by the Global Technical Communications representative that these two models represent the high and low of what the brand can produce, and that their upcoming models aim to be somewhere in-between. He also added, that for each model they'll go one step further away from Volvo in their design language.

So far, Polestar has announced the release of three new models that are confirmed to reach the market, aptly named 3, 4, and 5, and they intend to launch one of these models every year, starting with Polestar 3's launch at the end of 2022 (Polestar, 2022g). The fifth model, Polestar 5, has already been unveiled as the Polestar Precept manifesto concept car, and it has acted as the guiding star for the whole line-up and the brand itself, with its distinct design, futuristic features and sustainable profile (Ellis, 2020). It will be a four-door Luxury Sport GT, and its range shall exceed 600 km.

Additionally, they have also showed an electric roadster concept, named Polestar O_2, which would be the second car to build on the Precept design, but it's still not confirmed if it'll reach production (Ellis, 2022). Polestar CEO, Thomas Ingenlath, has stated that Polestar O_2 is the new hero car for the brand (Ellis, 2022).

Polestar 3 will be a Luxury Aero SUV, and it will be the first model to feature more advanced autonomous capabilities (Polestar, 2022g). Next thereafter is the Polestar 4, a Premium Sport SUV, which is in the segment with the highest projected growth rate among premium/luxury cars (Polestar, 2022g).

With the release of its three planned models, Polestar estimates that they will cover 80% of the premium car segment by 2025 (Polestar, 2022g). The Strategy and Business Developer at Polestar noted:

> For now, the premium segment of the EV market is not saturated, but it will be in five years. Expanding fast and using this window of opportunity with the early mover advantage that we have will be necessary for the future of this company. (Strategy and Business Developer at Polestar)

They continued telling us that in the next couple of years, the company has ambitions to increase its units sold by tenfold, as well as to grow its global presence from 15 countries where it is present now to more than double that by the end of 2023. This means opening more than 150 locations and 800 service points, all while aiming to maintain the agility of a start-up. The challenge was then summarized:

> We are scaling up from making 29,000 cars today to 290,000 in a few years. For that, we need stable logistics and a scalable organisation. Then what about sales? Infrastructure?

Brand awareness? Thirty thousand cars you can, in principle, hand-build. Three hundred thousand? You need operations. (Strategy and Business Developer at Polestar)

Currently, Polestar owns a factory in Chengdu (China), where it can produce 750 units per year; this is where Polestar 1 is manufactured (Polestar, 2022g). Polestar 2 is made in Luqiao (China), in a factory owned by Geely (Polestar, 2022g). Otherwise, the firm has access to four more factories owned by its parent companies, three of which are in China, and will each produce one of the three future models (Polestar, 2022g). The fourth is located in Charleston, U.S., and will produce the Polestar 3 for the American market (Polestar, 2022g). In total, all factories could build about 720,000 units per year, most of which would happen in China (Polestar, 2022g).

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Like many EV firms, Polestar struggles to attract qualified engineers and people with digital innovation competencies. We talked to a Global HR Project & Talent Management lead about this, and they said that the momentum in Sweden is substantial due to many people coming from Volvo drawn by the "youngster" free-minded mentality of the company, but that the firm struggles to maintain the same momentum in other parts of the world where the brand has little or no presence. They stated that the firm tries to keep a free company culture where everyone knows each other, and the setting is less corporate. In the representative's opinion, the following couple of years will be crucial for solidifying a culture in the company, and not only will Polestar have to ensure that the culture is "right" in isolation, but it will also have to be echoed across the brand's offices worldwide. Given the ambitious expansion plans, this challenge might be more difficult:

> What keeps me awake at night? Just recently, we had one floor in a building. Now we have this entire building and the one next to it, and we're planning to expand into 15 more countries just in this year. And to find the right people while maintaining a good culture, that's what keeps me up at night. (Global HR Project & Talent Management lead)

5 Analysis

The purpose of this chapter is to introduce the Pole Position Framework. This is done by analysing the empirical data that has been structured using our preliminary framework as a basis and searching for a more holistic approach by pinpointing where improvements can be made. The Pole Position Framework consists of six elements – Competition, Market Demand, Brand Identity, Heritage, Resources and Competences, and Pole Position. The framework is initially briefly presented, followed by a detailed exploration of every element. Finally, the uses and the usage process of the framework will be discussed, and guiding questions will be suggested.

5.1   The Pole Position Framework

Bearing in mind the requirements we set for the framework that were presented in the methodology chapter, we once again recalled the definition of positioning, which, as presented in the literature review chapter, is "the management process that seeks to establish a new position in markets and minds or modify (fortify or change) an existing one" (Urde & Koch, 2014).

In some cases, the four original questions by Urde and Koch (2014) – "In which market?", "For whom?", "Promising what?", and "Proven by what?" - were found to be suitable for presenting the empirical data in a structured manner. However, some questions were found to be vague, and their definitions, as presented by the authors, susceptible to misinterpretation. Thus, some of the questions were altered to better reflect their objectives, and aiding theories were connected to their corresponding elements. This also caused a complete revamp of the Evidence element, which was renamed to Heritage. An entirely new element – Resources and Competences was added to the framework, as the empirical data highlighted a gap in the original positioning framework. Finally, specific theories that were effective in providing a deeper insight into each element were found and connected to each of the framework elements. The result of this process can be seen below in Table 6 below.

Table 6. Comparison between Urde and Koch's (2014), and Kapferer's (2012) original positioning elements and concepts, and our modified versions.

Original positioning elements by Kapferer (2012)	Positioning questions by Urde and Koch (2014)	Our positioning questions	Pole Position Framework element	Theory connected to the element
Competitive set	In which market?	In what landscape?	Competition	Blue ocean strategy
Target segment	For whom?	For whom?	Market Demand	Market orientation
Key elements of brand identity	Promising what?	By whom?	Brand Identity	Brand orientation
Evidence of promise	Proven by what?	Supported by what?	Heritage	Brand heritage
		Enabled by what?	Resources and Competences	Resource-based View

As can be seen in Figure 5 below, the framework is illustrated as a pentagon, with the Pole Position element being encircled by the five elements. As before, we acknowledge that other elements could be compatible with this framework. However, this version of the framework stands as a result of our observations within the Polestar case, as well as a response to the literature that we found important when discussing positioning. Next, each individual element will be explained.
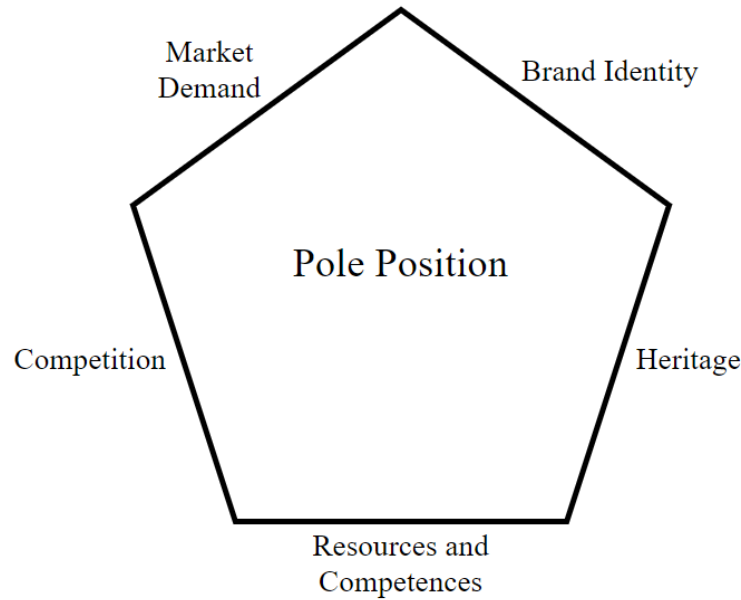
Figure 5. The Pole Position Framework.

5.2 Competition

A fundamental component of positioning is the competition. Having an element on the competitive landscape was rendered as necessary, as it is apparent that no firm operates in a vacuum, and the definition of positioning itself implies that the firm is competing against other businesses. Numerous theories can be applied to gain a greater insight into how Polestar approaches the competition.

Firstly, Kapferer (2012) suggests defining the "competitive set" – the context with which the firm is associated with, and within which they consider their competition to be, as all choices are comparative for customers, thus making it important to know what the business is being compared against. Polestar explicitly identifies its competitive set, both narrow and broad, effectively ranking the competitors in their investor presentation (Polestar, 2022g). The wider competition is identified as "EV and luxury carmakers", containing 11 other competitors. This is then narrowed down three times, also providing a time frame within which this competitive set exists – at the second widest level, Polestar places firms with an expected EV share of 35%+ in 2025. The main four competitors being "EV pure plays" - Tesla, Lucid Motors, NIO, and XPeng. Tesla is labelled as being the main competitor, as it is the only other "global EV pure play" alongside Polestar itself; it is also

confirmed by the Specialist in the Polestar Space in Malmö, stating that "*Most people compare Polestar to Tesla."* The "global EV pure play" label is already indicative that the firm aims to focus on its global reach, which can be further supported with the Strategy and Development representative's statement: *"For now, the premium segment of the EV market is not saturated, but it will be in five years. Expanding fast and using this window of opportunity <…> will be necessary for the future of this company."* Polestar's approach can be tied to the blue ocean strategy (Kim & Mauborgne, 2005), which aims to make the competition irrelevant by creating new market space and capturing new demand. The possibility of this can be visually seen in Figure 6 below, as Polestar indeed seems to be intending to focus on creating an uncontested market space that can be defined as being able to provide expensive vehicles globally. However, while this may be the intention, the threat of traditional OEMs is noted to likely become a greater threat in the future: *"[the competition] is only getting stronger through time, particularly now when the big traditional OEM are really starting to wave in".* It is therefore paramount that, if Polestar wants to occupy such a position, for the firm to move into the market space quickly; this would give it a chance to capture critical mass before the competitors can move in.
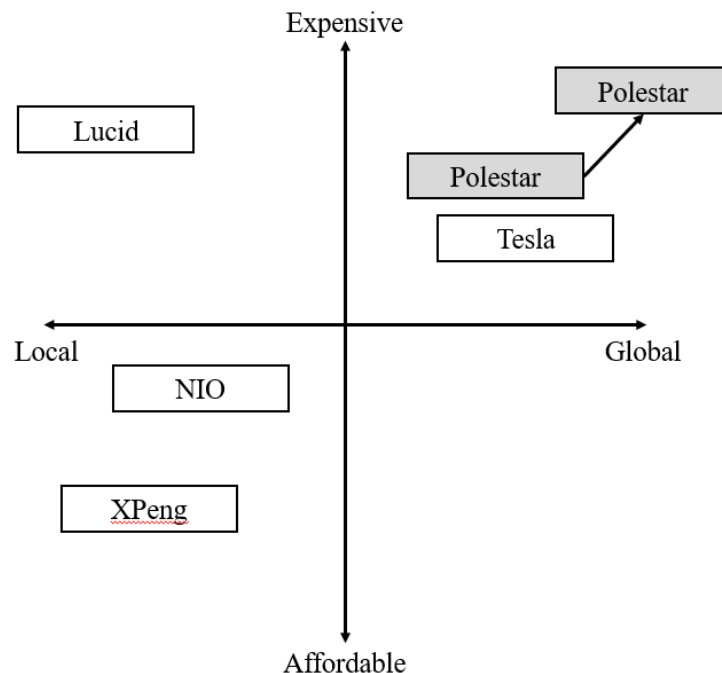

Figure 6. Polestar's intended market movement.

The blue ocean strategy includes the firm aligning the whole system of its activities to simultaneously pursue differentiation and low cost, yet it can be noted that Polestar is more inclined to lean towards the differentiation generic strategy. This is because, as the Strategy and Business Developed stated, it is currently difficult to lower the high production costs due to batteries being expensive and economies of scale being hard to reach, which is why most car manufacturers are focusing on premium EVs. Cost leadership as a lower priority strategy is also clear from the investor presentation (Polestar, 2021b), where it should be noted that all the upcoming models are priced quite expensively. These two factors would indicate Polestar operating in a red ocean after all, as both strategies could be pursued simultaneously in a blue ocean. The focus on positioning itself based on differentiation is also supported by Polestar's strong focus on branding, which will be expanded upon in the following section.

The original question by Urde and Koch (2014) referring to this element was "in which market?"; however, we found it to be susceptible to misinterpretation, as it could be interpreted as asking for defining a specific geographical market, rather than the discussed "competitive set". Thus, the question "in what landscape" was chosen as a substitute.

5.3 Brand Identity

Brand identity is seen as necessary for positioning by Kapferer (2012), who states that it helps firms stand out among similar products and brands. A fundamental part of Polestar's strategy is indeed based on their brand identity and values. In the literature review chapter, it was noted that Urde, Baumgarth and Merrilees (2011) define brand orientation to be largely concerned with the creation, development, and protection of brand identity, and takes the brand as the point of departure in strategy formulation. This theory has proved useful in examining the impact of this element, as an argument can be made that Polestar is strongly brand oriented. The Chief Marketing Officer perceives Polestar's brand to be key in conquering the market, noting that *"storytelling is what will ultimately differentiate Polestar".* The PR and Communication representative noted that Polestar's that Polestar's communications are based on the values that the firm seeks to embody - *"real brand don't tell stories, they are the story."* Indeed, values of both Polestar and the wider market are at the forefront of the firm's communications – for example, two of the most notable pieces of communication - the breakup letter (Polestar, 2019), and the Super Bowl ad (Polestar,

2022d) – question the integrity of other firms (*"no dieselgate, no Mars"*, *"look at us, is this what we've become?"*), as well as promote the values of Polestar itself (*"no empty promises, no greenwashing, no compromises"*). In addition to this, many interviewees, at one point or another, referred back to Polestar's brand and values when discussing their daily struggles. Interestingly, however, people from different departments referred to the different parts of the brand identity, that may indicate them being as most important in their daily work– for example, the Global Technical Communications representative noted that *"design is in the* core *of everything we do"*, the Talent Management representative stated that *"culture is an important part of our identity"*, while the Internal Communications described Polestar as Volvo's *"rebellious little sister"*, and stressed the importance of maintaining this *personality.* The emphasis of different identity parts within the interviews suggested that there is no singular most important part of the brand identity (besides the core); different departments may rank them differently. Thus, we swapped the original positioning question "promising what?" that Urde and Koch (2014) stated as referring to the key elements of brand identity, to the question "by whom?". This acknowledges the fact that every element of brand identity may act as the most important one within the business, meaning that they should all be considered equally. Urde, Baumgarth and Merrilees (2011) imply that a strong brand is necessary for a well-organized approach. It is possible to roughly map out Polestar's brand identity using the empirical data and the corporate brand identity matrix (Urde, 2013), as can be seen in Figure 7. It then should be observed that the identity is well aligned due to certain values reverberating throughout different parts of the matrix – sustainability, performance, and design in particular can be observed within numerous elements. This further supports the idea that Polestar is a strongly brand-oriented company.

Brand Identity Matrix of Polestar			
	Value Proposition Sustainable choice with the rapid adoption of new technologies by providing high-performance and safety.	**Relationships** Direct digital customer relationship as a foundation. "No commission, no negotiation, no pressure". Openness.	**Position** Premium EV brand, focusing on performance, design, and progress.
External			
External/Internal	**Expression** Direct, honest, and modern, challenging the status quo. Artsy.	**Brand Core** Sustainability, design, performance	**Personality** Young and agile with a start-up character. "The rebellious little sister". Artistic, activist.
Internal	**Mission and Vision** "We're determined to improve the society we live in by accelerating the change to a fully electric, climate-neutral future."	**Culture** Flat hierarchy, agile, young, Scandinavian, with a start-up mentality	**Competences** Global reach, developed infrastructure, asset-light, access to parent company resources, expertise in performance, design

Figure 7. Our version of Polestar's brand identity matrix.

In addition to being able to observe how strongly Polestar feels about its values, it is also possible to observe the interaction between market orientation and brand orientation within the data. The Global PR and Communications representative noted that brand values are primarily used to position the business, rather than traditional marketing: *"We don't do traditional segmentation analysis, instead, we aim to attract everyone who has a particular mindset and involve them in the process. <…> Our customers literally stretch from late teens to people well above their eighties".* This is confirmed by other data as well - for example, the Polestar 1 product page states *"We didn't design Polestar 1 to compete with other cars or to suit a specific target customer"*, while the Chief Marketing Officer supports this view by stating that they appeal to people who appreciate their core values.

5.4 Market Demand

In addition to crystallizing the identity of a brand, Kapferer (2012) also argues that it is vital to understand what the "target", meaning the market needs and wants. The positioning question "for whom?" remains unchanged, as the question was found appropriate for analysing the empirical data.

As discussed in the literature review chapter, firms can comply to market needs and wants on varying levels, depending on how strongly they are market oriented (Urde, Baumgarth & Merrilees, 2011). While it was stated in the previous section that Polestar has strong brand orientation tendencies, it appears that market needs and wants are also taken into consideration and affect the company's position. Urde, Baumgarth and Merrilees (2011) identify that traditional marketing techniques such as segmentation, adaptive selling, customization, or customer relationship management are all typical for market orientation. Indeed, it can be observed that Polestar utilizes the traditional marketing approach to some degree. For example, in the investor presentation (2021b), the company justifies its segment choice by showing numerical evidence that *"Premium/luxury EVs are the fastest growing segment of the global car market"*. The firm also explicitly states that it is aiming to address the fastest growing segments of the premium/luxury market, in the fastest growing geographical regions. Customer needs are also acknowledged, as Polestar share that the market is *"Driven by consumer behaviour evolution, technological improvement, increased regulation and choice, as well as better charging solution"*. Additionally, Polestar realize that they cannot exist in their intended premium market segment without meeting equivalent expectations, and they are prepared to meet them: *"But with higher prices comes higher expectations in terms of quality and services, and we need to become better at meeting some of those. An example could be that our handover-points should be closer to our customers, and that becomes a challenge when we operate globally."* The specific car features that the company aims to improve upon – such as range, charging efficiency, battery price, and connectivity - also coincide with the general industry trends that can be observed within the secondary data. Polestar also offers customization options for their cars, albeit not as extensive as other automakers.

Therefore, while it appears that while the company aims to attract customers primarily through their brand values, their products are responsive to the overall market. While the interviews suggest

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that this may not be their primary consideration, it seems that Polestar could in fact be seen to take a brand-and-market oriented by also acting on select pieces of market information that it gathers.

5.5   Heritage

The element of Evidence, referring to the question "proven by what?" asked by both Kapferer (2012), and Urde and Koch (2014), itself proved difficult to grasp. Kapferer (2012) states that the aim of this question is to "provide reasons to believe"; in other words, to showcase credibility, or authenticity. As discussed in the literature review, heritage can signal both of these features (Urde, Greyser & Balmer, 2007; Scarpi, 2021). It is also a prominent discussion topic in the empirical data, prompting its addition to the element as a separate framework.

It can be seen in the empirical data, that Polestar takes into consideration both its own history, and Volvo's. For example, the business was initially founded in 1996 as a motorsports team. This would fit within the longevity element of the brand heritage framework (Urde, Greyser & Balmer, 2007). The fact that Polestar also has been specializing in performance cars throughout its entire existence provides it with a track record that it is still building upon. As the Global Technical Communications representative stated, performance has been Polestar's focus for a while: *"After all, the company was once founded to tune and make performance upgrades to racing cars, the difference now is that we use that knowledge for our own cars instead"*. Additionally, the firm takes advantage of Volvo's extensive knowledge of safety, as the Chief Marketing Officer stated: *"safety will be built in full stop, and the Polestar 2 is a Euro NCAP 5-star car, it's up there as good as it gets. That I don't think will change, nor do I think it should"*. However, they are reluctant to use Volvo's heritage because of fears that it would signal the wrong values, as Chief Marketing Officer continues: *"I don't think it's going to be something that we're going to lean on in the same way as Volvo will."* In fact, the company consciously has chosen to abandon any ties to the past, as the website reads: *"We have no legacy, no ties to the past; we are free to find the right way"* (Polestar, 2022b).

Despite the fact that Polestar chooses to not emphasize its past heritage, they do not consider their roots unimportant, rather that they are just ill-fitting for their ambitions: *"But that's not that we're not hugely proud of where we come from. <…> Volvo comes from this warm, inclusive, family- and safety-oriented space, whereas we see ourselves in a much cooler space, as in colder, with a*

greater driver focus and higher exclusivity; we're pricing that sort of expression of Scandinavian design rather than the other". They express being open to the idea of forging their own heritage from scratch, the contents of which are carefully considered, as the PR and Communication representative explained. For example, the company actively uses symbolism in its activities which coincides to the brand heritage framework. This can be seen from the Global Technical Communications representative's statement: *"one can see <...> headlights in the shape of Thor's hammer. If you look up <...>, the Polestar logo is projected onto the glass which resembles a star in the sky".* Another example of this is the "Set in stone" marketing campaign, in which Polestar interprets the popular idiom in a literal way, demonstrating their commitment of having sustainability a core value by carving out a promise to become climate-neutral by 2040 on a marble slab. Core values are indeed also an element within the brand heritage framework, and it can be seen that the firm fulfils all the requirements for creating a brand heritage.

It appears from the data that the nature of this framework element is supportive, rather than being strictly necessary. Thus, the question "supported by what?" was chosen as the corresponding positioning question.

5.6 Resources and Competences

One important aspect that had not been addressed in the original positioning questions is the role of resources and competences possessed by the business. Kapferer (2012) only considered the financial means to achieve a desired position; on the other hand, Barney (1991), suggests that firms can identify valuable resources and competences within themselves, which they then can use to create a sustained competitive advantage. Two effects of resources and capabilities are reflected within the empirical data.

First off, resources have acted as an enabler for a strategy to be achieved in the first place, prompting the element to be addressed by the question "enabled by what?". It can be seen that Polestar's approach to focus on its global presence was largely caused by the standing of its parent companies: *"we also have access to the resources of our parent companies which are providing us with a considerable advantage. This has enabled us to be global from day one".* The ability to address the global market fits all four criteria of the VRIO framework (Barney, 1991):

- It is **valuable** as it enables the possibility for considerably larger profits by addressing more, and more attractive markets.

- It is **rare** as out of the four main competitors, only Tesla possesses comparable reach. Lucid, NIO and XPeng are all only present in their home countries and a select few others.

- It is **inimitable**, as other automakers are struggling to expand into other markets quickly, primarily all focusing on the same few countries (Scandinavia and wider Europe). Expanding into unique new markets quicker than the competition would create a barrier for entry, further hindering imitation possibilities.

- It is **organized**, as expansion into new markets in business is a well-known phenomenon that is typically a systemized process.

From a resource-based perspective, Polestar's global position is the correct move to take for building a sustained competitive advantage. On the other hand, the "enabling" nature of resources can also be observed to pose a challenge: *"Just recently, we had one floor in a building. Now we have this entire building and the one next to it, and we're planning to expand into 15 more countries just in this year. And to find the right people while maintaining a good culture, that's what keeps me up at night.* This view is further reinforced by the Strategy and Business Developer, who notes the difficulties of Polestar's ambitions to grow its production by tenfold: *"For that, we need stable logistics and a scalable organization. Then what about sales? Infrastructure? Brand awareness?"*

Another effect resources and competences can have on positioning is by acting as guidelines, suggesting where the firm might fit best. For example, the Global Technical Communications representatives stated: *"After all, the company was once founded to tune and make performance upgrades to racing cars, the difference now is that we use that knowledge for our own cars instead".* While this may be interpreted as part of the Heritage element, the line of thought remains when inspected through the lens of the resource-based view – Polestar's best shot at gaining a competitive edge was through the use of its wide expertise of performance car tuning that other firms do not possess; this more than likely had an influence on the firm's aspired position.

5.7 Pole Position

After having presented the five elements of the Pole Position Framework and analysing them systematically, the definition of a Pole Position will now be introduced. First, the five elements of the framework are summarized. An overview of the analysis can be seen in Table 7.

Table 7. Overview of the analysis.

Competition	Market Demand	Brand Identity	Heritage	Resources and Competences
• Defines space • Adds timeframe • Suggests generic strategy	• Defines market needs and wants • Is possibly influenced by brand values	• Crystallizes firm values • All parts important, as different parts may be focused by different departments • Is possibly influenced by market needs	• Considers the temporal dimension • Can support other elements • Can be used as a resource to create competitive advantage	• Acts as enabler • Can suggest the best fit for the current standing • Can be utilized to create competitive advantage

As the aim of this thesis is to create a holistic positioning framework, there is a need to define what the product of such a framework would be. Thus, we define the pole position as the position which displays these features:

1. It allows the business to satisfy market demand.
2. It allows the firm to operate within its brand identity.
3. It allows the firm to activate and build upon its heritage elements and is supported by the firm's history.
4. It is obtainable with the firm's resources and capabilities and allows the firm to build a sustained competitive advantage through their use.

5. It is a position which is not occupied by competitors that the firm is unable to compete with.

In essence, it is the position in the market where all the different framework elements overlap with each other. It must be noted, however, that the pole position may not exist in certain situations, as it may prove to be impossible to fulfil all the requirements.

6 Discussion

This chapter discusses and reflects on some of the key findings regarding the Pole Position Framework. The proposed framework will also be related to previous literature.

First, after analysing the empirical data of the case, it became apparent that it is possible for different elements of the framework to hold different weights, and that these weights can change with time. For example, one can divide Polestar's history into three timeframes – the release of Polestar 1, the release of Polestar 2-5, and the further future. It was said within the empirical data, that Polestar 1 was developed as a statement, without the intention to compete with other cars or appeal to a specific customer segment; rather, it was a demonstration of art and creative expression, and only 1,500 total units were produced. This indicates that the elements of Brand Identity, and Resources and Competences were at the forefront of Polestar's strategy at that point in time, while Competition and Market Demand were deemed unimportant. Polestar models 2-5, however, are meant to address market needs and cover 80% of the total premium/luxury EV segment, indicating that Market Demand has risen in importance during this time. Additionally, the threat of OEM entrants and other EV brands is being held in high regard, as the company believes that the next few years will be crucial for its survival – this suggests that Competition is also more important now than it was before and is likely to only increase in importance in the future. Finally, Polestar have said that in the current time they are not tied and do not rely on any specific heritage and are purposefully distancing themselves from Volvo, meaning that the element of Heritage is not among the top considerations for strategy. Despite this, they are open to the idea of building their own unique heritage; therefore, this element may also become more prevalent in the future. Therefore, businesses should constantly scrutinize all the elements of the framework in order to be able to generate better positioning strategies in the future.

The second point to discuss is the inherent salience of the framework within extreme contexts. We stated in the analysis chapter, that in order for a pole position to be defined, all five elements of the framework need to be present. It was also discussed within the methodology chapter, that the framework is a result of simultaneously analysing the Polestar case and reviewing positioning concepts. This means that the framework is fully applicable, and the pole position can theoretically

exist within the context of this case, as the presence and importance of every element can be proven. However, we acknowledge that we have not had the opportunity to test out the framework in other scenarios, where some elements may be missing or would rely on prediction to be described. For example, the blue ocean strategy (Kim & Mauborgne, 2005) discusses the possibility of creating new uncontested market space, where competition is irrelevant. In a case where a business is the first to enter a completely new market, it may prove difficult to gain specific insight on the elements of Competition and Market Demand, instead forcing the firm to rely on predicting those elements. Conversely, new upstarts may not have virtually any heritage or resources to speak of, with the elements of Competition and Market Demand being paramount to address, greatly limiting possible strategies. In regard to the Heritage element, Urde, Greyser and Balmer's (2007) definition of brand heritage suggests that the choices made in the current time frame will have an effect on the brand in the future. Thus, they state that brand heritage should be considered not only retroactively, but also prospectively, effectively solving the issue of the Heritage element being absent within a specific context. However, it would be beneficial to see whether this line of thought could be applied to other elements of the framework, and how effective it would prove to be.

The third discussion point is raised in regard to the number and content of the elements. As one of the framework's objectives, we stated that it should be open for future improvements and alterations. Indeed, some concepts proved challenging to place. For example, James (2014) argues that the fields of strategic communication and PR are vital for positioning, and communications were indeed a vital part of Polestar's case. However, should this field be attributed to the field of marketing (and therefore being included within the Market Demand element), branding (therefore being included within the Band Identity element), a combination of both, or should it be its own separate element? We attributed it within branding as it was essentially the Expression part of the corporate brand identity matrix (Urde, 2013), yet there is a possibility that it could be more beneficial to have it as a separate element in a different situation. A similar argument could be made for including innovation as an element – Zhou, Yim and Tse (2005), for example, discuss the belief that overemphasis on the customers may impede significant innovation capabilities, leading to myopic R&D efforts. While currently innovation could be considered as a part of Resources and Capabilities element, the potential conflicts with Heritage, as well as Market Demand elements may warrant it being its own separate element instead. As the justification of

our reasoning, we reminded ourselves that the whole idea of developing a framework is to make complex things simpler; that is an axiom within any research. While perhaps more elements could be added to the framework, we argue that more is not always better, and that it could beat the entire purpose of creating a framework in the first place; thus, we settled on five elements in the final version of the Pole Position Framework. It should also be specified that in case the framework is altered in the future, the definition of the Pole Position is intended to adapt to whatever form the framework might take. Regardless of what specific elements comprise the framework, the essence of the pole position is to be the position where all of them are synchronized with each other.

Fourthly, after defining the Pole Position Framework, we saw many parallels between our approach and the positioning schools proposed by Urde and Koch (2014). Our developed approach initially seems similar to the chess school proposed by the authors, as both shared some of the same elements and aim to find an optimal position by striking a balance between business strategy and brand strategy. However, the Pole Position Framework actually embeds all five positioning schools proposed by the authors into one. It acts as sort of an overarching approach neutral approach in the beginning, through the use of which businesses can distil the right specific approach for that might be similar to those of Urde and Koch (2014). For example, in the analysis chapter, Polestar was identified as a brand-and-market oriented firm, and indeed prioritized the same elements proposed by the chess school of positioning. However, that decision was made in a more holistic manner than before – rather than only considering the trade-off between the market and the brand, all five aspects of the Pole Position Framework were considered; only then was the most appropriate approach chosen.

Finally, an interesting paradox arose when discussing the corporate brand identity matrix (Urde, 2013), in combination with Kapferer's (2012) positioning questions. Kapferer (2012) states that brand identity is a part of positioning, yet Urde (2013) approaches the two concepts from the other end, as "position" is one part that comprises brand identity, that is seen as the "bigger" concept. If one were to also see the corporate brand identity matrix as a part of our positioning framework, it could be interpreted as being paradoxical that position brand identity both comprises and is comprised of a positioning. The intertwined nature of the two concepts is curious to witness and is in line with Kapferer's (2012) argument that one cannot really exist without the other.

7 Conclusions

The final chapter of the thesis revisits the purpose and objectives of the research, as well as research questions to evaluate whether they have been successfully fulfilled. Afterward, theoretical, and managerial implications of the research will be discussed. Lastly, the limitations of the study will be discussed, and possible future research will be suggested.

As was presented in the very first chapter, the premise of this study was the failure of well-established positioning frameworks to thoroughly explain the position that Polestar had taken up in the EV market. It was noticed that many isolated concepts could be used to partially examine the situation, but it proved difficult to connect these concepts with each other in a well-structured way. Therefore, the purpose of this thesis was to integrate positioning concepts and theories into one framework, with the aim to develop a holistic positioning approach. The following three research questions were asked:

RQ1. What constitutes a holistic positioning approach?

RQ2. How is a holistic positioning approach used?

RQ3. Why is a holistic positioning approach beneficial?

We presented the Pole Position Framework as a result of analysing our data, primarily consisting of interviews and observations, as well as a wide variety of secondary data sources. The framework consists of five elements – Competition, Market Demand, Brand Identity, Heritage, and Resources and Competences, which are all important aspects for managers to consider when discussing positioning.

Based on our findings and the Pole Position Framework, we can now answer the three research questions. To answer the first research question, we argue that a holistic positioning approach is one that considers positioning from five different perspectives – the Competition perspective, the Market Demand perspective, the Brand Identity perspective, the Heritage perspective, and the Resource and Competence perspective - and connects each of them with specific theories and concepts. In order to answer the second question, the term "pole position" was introduced as a possible product of the five framework elements. It is labelled as the optimal position for a business

to be in, in which all of the aforementioned framework elements are all aligned with each other, allowing the firm to pinpoint a position in which it best takes advantage of all of them. Therefore, we argue that the way to use the approach is to first define one's stance on each of the framework elements in isolation, and then examine them all conjointly in order to identify and eliminate conflicts, allowing for a well-aligned stance to be distilled. To answer the third question, we recall the requirements we set out for the framework that were discussed in the methodology chapter. We thus argue that a holistic approach is beneficial as it guides the managers through the process and allows them to evaluate the attractiveness of certain positions and judge the plausibility of occupying said positions; it is also universal and not limited to specific scenarios; additionally, it explains the interactions between the separate elements; finally, it is open for enhancement. With the purpose to connect isolated positioning concepts, initially we intended to connect three fields of research – positioning, strategic orientations, and resource management. We argue that both the purpose and the aim of the thesis were not only achieved, but we unexpectedly connected more fields than we initially set out to. The Pole Position Framework actually connects five distinct concepts - (1) positioning, (2) market and brand strategic orientations, (3) brand heritage, (4) the resource-based view, and (5) blue ocean strategy. Next, we shall present three theoretical contributions, and four managerial implications of our work.

7.1 Theoretical contributions

7.1.1 Definition of the Pole Position Framework

The first and most principal theoretical contribution of this thesis is the introduction of the Pole Position framework. As Urde & Koch (2014) noted, there is an abundance of tools related to the subject; the main issue is choosing "the right tool" for the job. We have responded to this need by introducing the idea of a holistic positioning framework that can lead to a firm distilling an optimal position in the market that is supported and takes advantage of five different aspects – Market Demand, Brand Identity, Competition, Heritage, and Resources and Competences. In the discussion chapter, we related our framework to the five positioning approaches introduced by Urde & Koch (2014). Indeed, we argue that our approach stands as an over-arching holistic approach to those five schools of positioning, allowing firms to choose their more specific approach after having considered the alternatives in a more holistic manner.

7.1.2 Connection of isolated concepts within positioning

The second theoretical contribution is concerned with deepening the academic knowledge about the concept of positioning. New insights were generated by bridging the gap between positioning and other fields of research; more specifically, the concepts of brand identity, strategic orientations, brand heritage, the resource-based view and the blue ocean strategy were connected to positioning within the Pole Position Framework. In this process, new insights were found; in particular, a better understanding of holistic positioning prerequisites was gained.

7.1.3 Positioning question improvement

The third contribution is related to the standard four positioning questions by Urde & Koch (2014) – "In which market?" referring to the target market, "For whom?" referring to the target segment, "Promising what?" referring to the key elements of brand identity, and "Proven by what?" referring to evidence supporting the value proposition. By structuring our empirical data in accordance with these questions, we were able to pinpoint their shortcomings and improve them as a result. Our version of the positioning questions are "In what landscape?" referring to competition, "For whom?" referring to market demand, "By whom?" referring to brand identity, and "Supported by what?" referring to brand heritage. Additionally, we added another question that had previously not been in the positioning literature, in the form of "Enabled by what?", which refers to resources and competences.

7.2 Managerial implications

In addition to the theoretical implications, the results of our work have practical implications. This section will introduce said implications, and recommendations for managers.

7.2.1 Creation of a holistic, practically usable, and flexible approach

It was noted by Urde and Koch (2014) that one of the main problems for managers regarding positioning is not necessarily the lack of tools, but rather choosing the right approach toward the

process. It showcases the perspectives of different departments - such as marketing, branding, finance, and HR - and acts as an overarching mentality that guides managers in determining what side of the business should be prioritized when formulating positioning strategies. Additionally, it allows users to add whatever element they feel important to explicitly analyse, as the definition of Pole Position is one that can shift and adapt to change, simply requiring the overlap of all the framework elements; and while it suggests specific tools for analysing each element, managers can use their preferred tools if they perceive them as more fitting.

7.2.2 Applicability beyond business firms

The second managerial implication relates to the fact that our framework can be applied not only by businesses, but a wider variety of entities. Cities or countries, for example, could use this framework to position themselves as more attractive tourist destinations, non-profit organizations such as charities could use it to better benefit the society, politicians could use this approach to alter how they are perceived by the public, etc.

7.2.3 Consideration of time

The third managerial implication involves considering the aspect of time within positioning. In the discussion chapter, we shared our finding that different parts of the framework seemed to be more important during different times of Polestar's existence. This highlights the need for businesses to constantly scrutinize their strategies and suggests the possibility that it may be possible to plan positioning within the future timeframe by predicting how the importance of each element will change.

7.2.4 Pole Position Framework usage guide

To conclude the managerial implications, we have created a usage guide for managers intending to use the Pole Position Framework. As a tool, this framework is designed to assist managers and organizations in their brand positioning. It has three main uses:

1. It can be used to **evaluate** the attractiveness of specific market positions.

2. It can be used to **define** the firm's approach towards each of the elements in isolation.

3. It can be used to **align** different parts of the business to formulate a fitting positioning strategy.

While it may be used by any manager concerned with operations and strategy, ideally this framework should be used through combined efforts of managers in different fields, such as HR, finance, marketing, branding, communications, etc. We also argue that the process of using the framework should be tackled in two stages:

1. In stage one, the goal is to fill in all the pentagon parts of the framework, one by one. **Error! Reference source not found.**A set of guiding questions for each element can be found in Appendix B. These should be filled in as comprehensively as possible.

    1.1. We find that filling in the Competition element first might be the most beneficial. This is because this element provides a "lay of the land", i.e., provides a context for everything else.

    1.2. The other parts can be filled in any order deemed appropriate – for example, a firm that intrinsically knows that it would prefer to be brand oriented might start with that part of the framework, whilst a firm with an extensive history may find it more beneficial to tackle the Heritage element first.

2. In stage two, the aim is to evaluate whether a pole position can be distilled. In essence, it is determining whether all the elements of the pentagon align with each other in a way where they could all coexist in a certain market space.

    2.1. As mentioned in the definition of the Pole Position, there may be cases where it does not exist due to some other parts of the framework conflicting with each other. In that case, firms should evaluate whether they would like to resolve the conflict by finding a compromise, or completely give up on one of the elements, regardless of the possible negative consequences. The guiding question set in Appendix B also includes a "conflict resolution" section which suggests questions that firms may find helpful in cases of misalignment.

7.3 Limitations and future research

We have defined the concept of Pole Position, using the field of positioning as a starting point. After analysing both empirical data, and the wider literature, five elements were identified as comprising the Pole Position. Although this thesis answered the posed research questions, there is a set of intrinsic limitations, in addition to the methodological restrictions discussed within the methodology chapter. This last section will first address these limitations, and then suggest possible future research directions.

One of the major limitations of our study is its limited scope, caused by choosing to base the findings on a single case study – the chosen firm (Polestar) operates within a fast-moving automotive market that is currently undergoing rapid transformation. One of the objectives that we set for our framework was that it would be able to provide a holistic view of positioning universally, without being tied to specific contexts. However, we were unable to empirically verify whether this objective has been met because the framework has only been applied within a single context. Furthermore, in the discussion chapter, we highlighted that it may behave differently in extreme situations. Despite this, we argued within the methodology chapter that the Polestar case is of nature; thus, it is suitable for providing a general approach towards positioning that could be adapted to different contexts. Therefore, future researchers could focus on testing the salience of our framework within other industries, different types of organizations, and extreme situations.

Another limitation of our work is the subjective categorization and prioritization of different fields. In the introductory chapter, we stated that we would only be examining two strategic orientations – market, and brand – despite acknowledging that more orientations have been explored in the literature. Furthermore, one of the points touched upon in the discussion chapter was that we interpreted certain fields – such as PR, for example – to be part of others, rather than their own standalone elements. Both of these decisions were, to a certain extent, affected by our own abilities and ways of thinking, as well as our field of specialization. As a result, some certain fields may not have been explicitly acknowledged as having been included within the Pole Position Framework and were not pursued in more detail. Thus, our work would greatly benefit from a deeper dive into what constitutes each element, and whether structuring the framework differently could lead to it being more holistic.

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Appendix A – Stats overview of selected EV models

Table 8. Stats overview of selected EV models (Polestar, 2022e; Polestar, 2022f; Polestar, 2022g).

Model name	Price (USD)	Effective range (Km)	0-100 time (Km/h)	Charging rate (kw)
Polestar 1	155,000	124	4.2	50
Polestar 2 Single Motor	44,900	440-474	7.4	130
Polestar 2 Long Range Single Motor	48,400	510-542	7.4	155
Polestar 2 Long Range Dual Motor	52,400	455-482	4.7	155
Polestar 3	*~$93,000-230,000*	*+600e*	*TBA*	*TBA*
Polestar 4	*~$72,000-96,000*	*+600e*	*TBA*	*TBA*
Polestar 5	*~$100,000-200,000*	*+600e*	*TBA*	*TBA*
Tesla Model 3	46,990	491	6.1	170
Tesla Model 3 Performance	62,990	547	3.3	250
Tesla Model S	99,990	652	3.2	250
Tesla Model S Plaid	135,990	637	2.1	250
Lucid Air Dream Edition Performance	169,000	758*	2.5	300
Lucid Air Dream Edition Range	169,000	837*	2.7	300
NIO ET7 75 kWh Battery	70,360	500*	3.9	TBA
NIO ET7 100 kWh Battery	82,370	700*	3.9	TBA

XPeng P7 Long Range	52,710	530	6.9	100
XPeng P7 High Performance	59,587	470	4.5	100

* Other measurement than WLTP (Worldwide Harmonised Light Vehicles Test Procedure).

Polestar models 3, 4 and 5 are yet to be announced and their prices are Polestar's estimation.

Appendix B – Pole Position Framework Question Guide

Table 9. Guiding questions for each element of the Pole Position Framework.

Element	Guiding questions
Competition	At a fundamental level, what business are we in? How would we define what type of firms we are competing against? Who are our competitors? How would we characterize the competing firms themselves and their products? How do they compare with each other? Is the space that we would like to occupy already taken by some other business? Could we compete, or even beat that business in the long run?
Market Demand	How can we characterize the typical customer in the market? What kind of product do the customers need, or want? What would a perfect product look like from a customer's perspective? How willing would we be to make such a product?
Brand Identity	What would our preferred brand identity be? If given free reign, what kind of products/services would we like to sell? At our core, what would we like to promise? How would we like to appeal to the customers? What values would we like to stand for?
Heritage	How different is the position that we are aiming for from the one that we have occupied in the past? Do we have any elements that we could refer to as our heritage? Do we actively utilize any of them? How might positioning in a particular space impact our heritage now? What heritage could we build with our chosen position, that we could utilize in the future?
Resources and Competences	What are we particularly good at that makes us unique? What unique resources do we possess? How sustainable are these resources/competences? How could we best take advantage of these resources/competences, and where could we improve them the most? Can we reasonably reach our desired position with what we currently have or could obtain?

Pole Position	When you consider our answers to all the previous questions, do you think that all of them are aligned with each other? Could you distil them into a single, defined position?
Conflict resolution	Which of the elements within this framework do we perceive to be the worthiest of pursuing? What would we be willing to compromise on in case of conflict?