



Turun yliopisto
University of Turku

SOCIAL MEDIA IN INTERNATIONAL BRAND COMMUNICATION OF SMES

**A multiple case study of small Finnish design-intensive
companies**

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in International Business

Author:
Karita Kuitunen

Supervisors:
Dr.Sc. (Econ.), Ph.D. Kari Liuhto
M.Sc. (Econ.) Eini Laaksonen

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Turun kauppakorkeakoulu • Turku School of Economics

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1 INTRODUCTION

1.1 Effect of social media on communication and business

Social media emerged around 2005 and 2006 as user-generated media started to grow rapidly and large online social networks became popular among consumers. Although social media is a rather new phenomenon, it has already had a tremendous impact on the online environment and online communication. It has altered the ways we seek information and share our opinions to the world. One could even argue that on a larger scale social media has changed the whole world of communication and information. (Shao 2009.) Social media has quickly become an accepted means of communication and taken its place in our everyday life. We tell our friends what we are doing by updating our Facebook status and keep our followers posted of our latest moves with Twitter. Blogging in turn has turned ordinary people into influential opinion leaders. Social media has even played a role in the Arab Spring by helping the protesters share information, organise meetings and post videos online (e.g. Howard 2011; Beaumont 2011). Even governments are realising the power of new media. For example, the Ministry for Foreign Affairs of Finland used social media to reach Finnish citizens in Japan during the tsunami catastrophe in 2011 and to share information about the situation in Japan (Ministry for Foreign Affairs of Finland 2011).

The growth and importance of social media can also be demonstrated by looking at the growth and size of some of the most popular social media sites. Facebook, the most popular online social networking site of the world, was founded in 2004. Today Facebook is translated into more than 70 languages, it has over 800 million active users and 50 per cent of them log in every day. (Facebook 2011.) In March 2011, Facebook was valued at 65 billion USD (Reuters 2011). In comparison, the yearly budget of the state of Finland for 2011 was about the same (around 51 billion Euro) (Ministry of Finance of Finland 2011). Another example of the explosion of social media comes from the video sharing website YouTube. On average, users upload 48 hours of video every minute to Youtube. In other words, more video material is uploaded to Youtube in only one month than the three largest television channels in the United States of America (USA) created in 60 years. Over three billion videos are watched daily. (YouTube 2011.) LinkedIn, the largest professional networking site in the world, has over 135 million members in over 200 countries and more than two million company pages (LinkedIn 2011). In addition to these examples, the internet is full of different social media sites and many existing sites have added social media tools or features.

All this has had an inevitably tremendous influence on the communication and marketing of companies. Social media has changed the communication tools and strategies

companies have towards customers. In addition, the grown ability of consumers to communicate with one another has decreased the amount of control companies have over the content and dissemination of information (Mangold & Faulds 2009). One could even say that social media has enabled the revolution of consumer to consumer communication. Of course, consumers have always had the ability to express their satisfaction or dissatisfaction to other people, but the amount of people has been rather limited. Now in the age of social media consumers can communicate their opinion to millions of people immediately. (Kapferer 2008; Mangold & Faulds 2009.) This effect can be demonstrated very well by searching product information online – the results are dominated by information uploaded by consumers (Smith 2009). Moreover, consumers see the opinions and information shared online by other consumers as more objective (Kozinets 2002, 61). The emergence of highly educated, sceptical and demanding consumers has facilitated social media to become an accepted way of communication (Mangold & Faulds 2009, 359). Thus, one can argue that companies and brands have lost the monopoly on communication (Kapferer 2008) and marketers cannot deny the effect of social media. Some companies and brands have already understood the potential and are now asking us to like or follow them on social media but how well they are actually performing in social media remains a question.

Because social media is a rather new phenomenon, academic studies and research concerning the topic is still lacking (Shao 2009). More research is needed on the implications of social media for companies. Especially as social media has a huge potential as a marketing channel there is a need for academic studies on social media marketing or branding (Tikkanen, Hietanen, Henttonen & Rokka 2009). Due to the low-cost and accessible nature of social media, it would be particularly interesting to conduct research on how small and medium-sized companies (SMEs) with limited resources can benefit from it. More specifically, as only eight per cent of SMEs export goods or services (European Commission 2007) it would be interesting to study how social media can enhance the internationalisation or international activities of SMEs. Overall, research on SMEs is important because they make up a significant part of the economy. For example, in the European Union SMEs account for over 90 per cent of all businesses and they provide two thirds of the private sector jobs. Moreover, SMEs have an important role in creating wealth and economic growth inside the EU. (European Commission 2011a.)

1.2 Earlier empirical studies on SME branding and social media in business

Branding and SMEs have both been studied to a great extent but the connection between the two and SME branding as its own entity is still an under-researched area (Krake 2005; Merrilees 2007; Ojasalo, Nätti & Olkkonen 2008; Spence & Essoussi 2010). Most of the branding literature is written for large organisations and the examples of success or failure in branding come mostly from large organisations that spend a considerable amount of money on branding. Instead, theories and models on SME branding are scarce. Creating theories for SMEs is challenging due to the fact that SMEs are a highly heterogeneous group of companies with varying resources and capabilities. Nevertheless, more research on the subject has started to emerge during the past ten years.

One of the early and widely referred studies is the multiple case study consisting of eight Australian SMEs by Wong and Merrilees (2005). Their findings imply that SMEs interpret branding narrowly as advertising and developing of name and logo. The case companies were interested in branding but saw it as a future activity once the company has grown. Overall, the case companies believed that branding is for large organisations. Furthermore, the results suggest that branding activities differ in SMEs and large organisations. Based on a literature review and the results, Wong and Merrilees created a ladder model of SME branding-archetypes which is discussed on a deeper level in this study in Chapter 2.1.

Similar to the results of Wong and Merrilees, Krake (2005) found in his qualitative study of Dutch SMEs that brand management is not the highest priority in SMEs and creation of a strong brand is often not a conscious goal when planning the marketing budget. However, closer questioning revealed that SMEs do want to attain a strong brand. The responsibility for brand management is retained at the highest management level that being often the entrepreneur who rarely has enough time to engage in brand management or even understands the concept. The entrepreneur has altogether an important role in the brand building in SMEs. Overall, brand management is not given the priority it would require for a strong brand to be created. Moreover, the case companies did not exploit the opportunities of co-branding or co-operation with other businesses. The study established also that the problems SMEs face in branding are diverse, limited budget being the most common. But compared to large organisations, findings showed that SMEs have a few advantages in branding such as speed of decision making and flexibility.

Rode and Vallaster (2005) studied the corporate brand building of start-ups. They conducted a deep case study within one German company and gathered additional information through qualitative interviews with eight founders of Austrian start-ups. Con-

gruent with the findings of Krake (2005) they found that the entrepreneur has a significant role in developing the different parts of the corporate brand. Especially corporate identity is highly developed around the founder. The founder had also strong influence on the corporate design elements, such as logo and name.

Mowle and Merrilees (2005) examined the branding activities of eight Australian SME wineries. Their findings indicate that SME wineries can have either product or marketing driven approach to branding. Companies with product driven approach to branding focus on the product and the brand is created based on the product characteristics. Companies with marketing driven approach have more holistic approach to branding and embrace the experience around the product in addition to product characteristics. Both approaches were used successfully in the case companies. Additionally, the results suggest that SME brands can be complex and have both functional and symbolic values.

Ojasalo, Nätti and Olkkonen (2008) conducted a multiple case study on brand building in 20 software SMEs. The companies acknowledged the importance of brands, but similar to earlier studies (Krake 2005; Wong & Merrilees 2005) efforts in brand management were limited and the concept of branding was interpreted narrowly. Also, the goals of branding were not defined clearly and specifically enough due to a lack of resources and skills and brand building had a less systematic and minor role in the overall product development. Brand development took often place after the actual product development or even after the product launch. However, some companies were innovative brand builders and used affordable means in brand communications. The case companies saw that the main benefit of strong corporate brand was gaining new customers. In addition, strong brand was also seen helpful in creating partnerships and contrary to the findings of Krake (2005), the results showed that software SMEs co-operate with larger and trustworthy companies in order to strengthen the brand. The results further support the findings of Krake (2005) concerning the importance of the entrepreneur in brand building.

Bresciani and Eppler (2010) studied the branding practises of the 15 most successful start-ups in Switzerland through a multiple case study. The entrepreneurs had very varying attitudes towards branding. Some saw it very important whereas others gave less importance to branding. But regardless, the start-ups conducted a great number of branding activities. The specific activities varied from company to company. The start-ups did not use traditional communication means as they were seen ineffective and expensive. Unconventional means were preferred. Attitude towards online branding varied a lot but most companies recognised the importance of search engine optimisation.

From an international point of view, SME branding has gathered even less attention although SMEs are facing the new reality of a more international operating environment. SMEs themselves are also becoming more international. Wong and Merrilees

(2008) studied the international marketing communications of Australian SMEs. The answers from 297 senior executives indicated that international commitment has a critical role in international marketing communications of SMEs. Concerning branding they found that brand adaptation helped in shaping the international marketing communications. International experience and competitive environment on the other hand did not have direct influence on the international marketing communications.

Spence and Essoussi (2010) studied the brand building and management of four manufacturing companies in Monaco through case studies. In line with the findings of Mowle and Merrilees (2005), they found that SME brands can have both functional and symbolic associations. The case companies also used secondary associations such as country-of-origin to further enhance the brand. On the whole, the companies applied a wide range of branding strategies to sustain growth and diversify their business. Generally, products were standardised in all markets in pursuit of production efficacies and adaptation was not seen as a feasible option. Only one company developed customised products for exclusive customers. Due to limited resources, the use of media was targeted. Similar to earlier studies (Krake 2005; Rode & Vallaster 2005; Ojasalo et al. 2008) brand management was in the hands of a small management team who was in direct contact with major customers. In foreign countries distributors contributed to the brand development once an agreement with the management had been done. International brand management consisted of hiring the right agents or distributors and managing them.

The branding of Finnish design-intensive companies has also received some interest among researchers. Gabrielsson (2005) examined the branding strategies of 30 Finnish small and medium-sized born globals. Born globals are companies that seek to internationalise very rapidly from the founding of the company and have a global approach to business. The study included companies from five business areas, one being the design industry. In general, the majority of the companies had a clear branding strategy in place. The brand structure was usually simple due to the resource limitations. The case companies usually strived for globally standardised brand image across target markets. Especially many design companies had a global branding strategy from the beginning on. The fact that design companies often used media that are global in nature, such as internet and international fairs, mediated the building of a global brand. Furthermore, in design companies the brand image was largely created in international fairs and competitions. Branding strategy was found to be more important for companies targeting consumers than for companies targeting other businesses in their marketing. Internet was found to be an important marketing channel.

Falay, Salimäki, Ainamo and Gabrielsson (2007) studied the marketing management of six Finnish design-intensive born globals through case studies. The case companies were young, small and global. Concerning branding they found that the companies

quickly aimed at developing a strong brand identity similar to the findings of Gabrielson (2005). All the companies pursued global markets right from the beginning. Advertising as means of communication was not the primary channel due to financial restrictions. Congruent with the findings of Gabrielson (2005), the findings suggest that international fairs are an important communication channel for design-intensive born globals. Marketing was seen as something that followed design and product concepts and although, the entrepreneurs understood the importance of marketing and business skills, they felt they had too little time to design and did not want to be involved too much in the business processes. The importance of getting access to ‘taste elite’¹ in design world was also noticed. Being unknown was not seen as a disadvantage as long as the products were interesting because the taste elite is always looking for something new. Interestingly all the companies gave highest priority to the concept of products and quality rather than growing the business or acquiring more customers. Overall, the findings implied that marketing management seems to be a challenge for Finnish design intensive born globals.

Löfroos (2010) found in her study that small Finnish design-intensive companies appreciate cost-effective, fresh and innovative marketing methods. Some of the companies were already using social media in their marketing. The study concentrated on the internationalisation patterns of four small design-intensive Finnish companies.

Based on the findings of earlier studies SMEs (including Finnish design-intensive companies) seem to be interested in branding but face various problems. One of the problems seems to be finding appropriate, cost-effective and innovative brand communication channels and tools. Due to its low cost and availability, social media could be one feasible way of brand communication for SMEs. However, as social media is still a rather new phenomenon, theory of social media branding is scarce and the few theories available are rather new and lack empirical testing. The research that has been conducted seems to concentrate on the consumer point of view and on the norms of communication on social media (e.g. Dunne, Lawlor & Rowley 2010; Huffaker 2010). Practical guides on how to use social media are available, but from academic perspective a research gap exists. Especially research on how companies use social media in branding is hard to find. As social media has grown extremely fast and become a part of the eve-

¹ ‘Taste elite’ refers to the global design authorities who decide what is ‘good design’. Their judgements and opinions are followed and their references are valued in the design community. These are, for example, the people who decide which designs are shown in design exhibitions and museums, the judges of design competitions, design professors in design universities, and journalists in design magazines. (Falay et al. 2007, 885.)

ryday life of consumers the research gap is even wider and more actual. A few studies concerning branding in social media are presented next.

Haenlein and Kaplan (2009) examined the effect of virtual flagship store in virtual social worlds on the real-life attitude towards a brand and purchase intent. The results indicate that the online world is connected with the offline life of consumers. Furthermore, consumers do not separate their offline and online activities but see both as means for self-expression. The study established also that there is a positive connection between the attitude towards the virtual flagship store and the attitude towards the real-life brand. But the strength of the effect varies between users.

Bulearca and Bulearca (2010) studied whether Twitter, a microblogging site, is a viable marketing tool for SMEs. The results of a pilot test suggest that Twitter can be used for networking and relationship building. Additionally, the study found that Twitter is a platform for e-word-of-mouth and where companies can spread commercial messages. But the findings imply also companies need consistency and commitment in order to achieve best results with Twitter.

Kozinets, de Valck, Wojnicki and Wilner (2010) conducted a rather large qualitative research about usage of blogs in word-of-mouth marketing in order to find out what elements affect word-of-mouth marketing in online communities. All in all, they followed of 90 blogs for 6 months in North America and gathered and analysed data from 83 blogs that remained accessible throughout the study. The findings imply that there are different blogger characteristics and different strategies bloggers use when communicating about a marketing campaign. The study found also that the motivations for bloggers to participate in the campaign are complex and culturally embedded. The results imply that word-of-mouth messages in blogs should firstly be consistent with the goals, context and history of the blogs character narrative and with the actual communication forum. Secondly, the messages should acknowledge and discharge the tension between communal and commercial goals or offer a strong reason for individualistic orientation to be suitable. Thirdly, the messages should respect the norms of the communication forum and need to be relevant to the audience.

Xiang and Gretzel (2010) studied the extent of social media appearing in search engine results in the context of travel related searches. The main finding was that social media makes a considerable part of the results which indicates that search engines direct travellers to social media sites. The study also strengthens the importance of social media in the online tourism domain.

Reyneke, Pitt and Berthon (2011) studied the brand visibility in social media by examining five luxury wines. They used data from howsocial.com to compare the visibility of the different brands. Their findings stated that some of the brands did not have a clear social media strategy at the time. But the results also implicated that social media marketing offers real opportunities and threats to wine brand managers. They also pre-

sented a tool for brand managers to monitor and direct the discussions evolving around their brands.

The few earlier studies suggest that social media can be a useful marketing tool when companies understand the requirements of it. However, the research is still scarce and scattered and drawing conclusions might be misleading. In addition, it is clear that research on the use of social media in SMEs is lacking. The above presented studies on SME branding are summarised in Appendix 1 and studies on social media in business are summarised in Appendix 2.

1.3 Objective and structure

Basing on the above discussion, this thesis aims at contributing to SME branding research by studying the use of social media in SMEs from the under-researched international perspective. The main objective of this sequential, mixed methods research is to examine the use of social media in international brand communication of small Finnish design-intensive companies. This study focuses on companies that produce consumer goods. The research objective is divided to sub-objectives which are to examine:

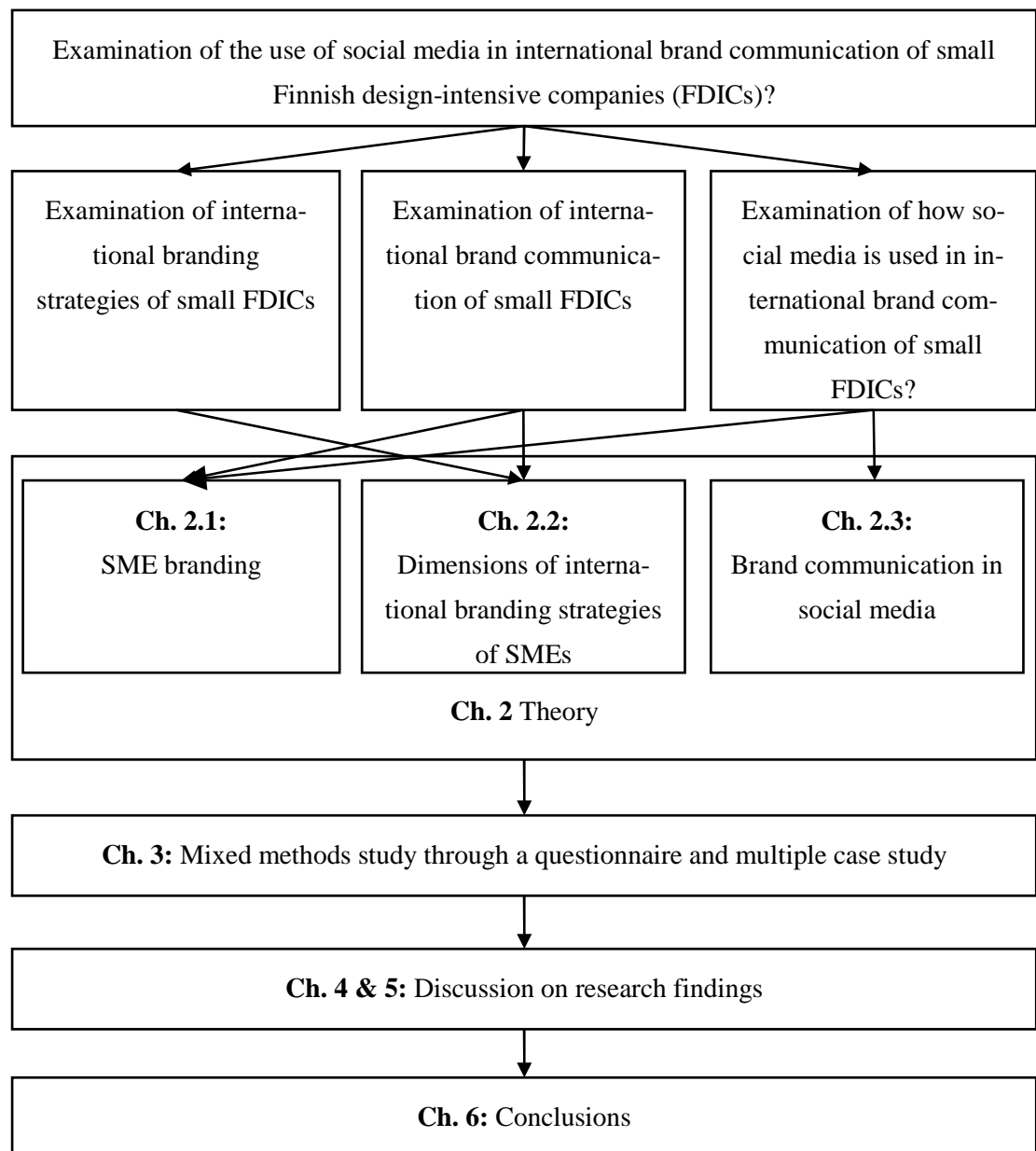
- 1) international branding strategies of small Finnish design-intensive companies,
- 2) international brand communication of small Finnish design-intensive companies,
- 3) how social media is used in international brand communication of small Finnish design-intensive companies.

The perspective of Finnish design-intensive companies was chosen for several reasons. Firstly, there was a listing of a number of Finnish design-intensive companies available for the author. Secondly, typical Finnish design-intensive companies are small, and therefore suit well the purpose of this research to contribute the field SME research (Salimäki, Ainamo & Salmenhaara 2004, 5). Thirdly, a research on international branding could be beneficial to the Finnish design industry as it has been argued that Finnish design-intensive companies are pushed to internationalise due to the small size of their home market (Leino 2003).

The key concepts and definitions of this study are discussed in the next section. The theoretical background of this study is described in Chapter 2 by first looking into SME branding theory in Chapter 2.1. The international SME brand communication strategy is explained Chapter 2.2. Then, in Chapter 2.3 the factors that affect branding in social media are examined. In addition, the possible advantages and threats of using social media in branding are discussed. The methodological choices and the empirical research process are described in Chapter 3. This is a sequential, mixed methods study that uses

the multiple case study method. The instruments used in data collection are an e-mail questionnaire and theme interviews. The results are presented in Chapter 4. Finally, in Chapter 5 the conclusions from theoretical and managerial perspectives are presented. In addition, suggestions for further research are given. The structure of the study is illustrated in Figure 1. FDICs in the figure refer to Finnish design-intensive companies.

Figure 1 Structure of the study



1.4 Key concepts and definitions

This chapter provides basic information for a further understanding of the thesis theme. Hence, it is necessary to define the central terms and concepts of this study. In the following these definitions are listed in an alphabetical order.

Brand can be defined in a multitude of ways. For example, brand can be interpreted as a logo, a risk reducer, an identity, an image or an evolving entity (de Chernatony 2006, 27). Brands can also be viewed as clusters of functional and symbolic values² (de Chernatony 2001). According to this view, brands satisfy the rational and emotional needs of the buyer by making a unique promise of an experience based on the functional and symbolic values of the brand. Successful brands are able to satisfy these needs in a balanced manner. (de Chernatony & McDonald 2003.) Furthermore, de Chernatony and McDonald (2003, 25) define a successful brand as

“... an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs most closely. Furthermore, its success results from being able to sustain these added values in the face of competition.”

According to this definition, brands offer values for the customer and a sustainable competitive advantage for the company against competitors. Companies should understand this duality of brands and perceive them from both input and output perspective in order to have balanced view of the brand (de Chernatony 2006). Successful brands are created with a clear vision about the purpose of the product or service while having the specific target group in mind. Successful branding also requires commitment to equip the brand with right kinds of resources needed to achieve the stated purpose. (de Chernatony & McDonald 2003.) But it should not be forgotten that although creating a brand is a complex process of planning and conceptualising, in the end brands exist only in the minds of consumers (de Chernatony 2006).

Brand communication can be defined as the communication between a company or a brand and its customers via different channels. For example, it can include advertising, direct marketing, newsletters, or the activity of consumers in a brand community. (Merisavo 2008, 7.)

Design is rather difficult to define as the word itself has multiple meanings and is used in various contexts. Another problem in defining design is that an appropriate and

² De Chernatony 2006 and de Chernatony & McDonald 2003 use the term *emotional* value instead of *symbolic* value which is used in this research.

comprehensive definition can be either too broad or too exclusive or maybe even unnecessary. Design can also be defined differently from different perspectives and point of views, but from an economic perspective it can be viewed as “*the conceptualiser of commodities driven by the market*” (Bello 2008, 30-31.) In business life design can be further defined as a part of product planning and it has essential effect on the structure, material, production and appearance of a product (Design for Business 2011a). As this research belongs to the research of international business, design is viewed from the business perspective.

Design industry is in this research defined firstly as consisting of industrial design, architecture, and graphic design. Secondly, it refers to the production of consumer goods that are design intensive. And thirdly, it includes other production which is expected to be design intensive or could benefit from design. The definition follows the narrow definition of design industry by Salimäki, Ainamo and Salmenhaara (2004, 3).

Design-intensive company can therefore be simply defined as a company belonging to the design industry. Furthermore, design-intensive companies can be described as companies that “*use unique design in their products and invest heavily in creating attractive designs*” (Luostarinen & Gabrielsson 2006, 781). Design also occurs in a prominent way in the activities, products and services of a design-intensive company. Overall, design is seen as a strategic and operative resource in design-intensive companies and they execute it in a consistent way. A design-intensive company can also be an expert in design and offer services linked to design. These are, for example, design agencies, interior design agencies and graphic design agencies. (Design for Business 2011b.) A (born) global design-intensive company has a marketing strategy based on leveraging design as a competitive edge on world markets (Falay et al. 2007, 879).

SMEs refer in this study to small and medium-sized enterprises congruent with the definition of the European Commission. SMEs can be divided into micro, small and medium-sized companies according to the following definitions. A micro enterprise employs less than ten persons and has turnover or balance sheet total that does not exceed 2 million euro. For small enterprises the corresponding figures are less than 50 employees and a turnover or balance sheet total of maximum ten million euro. A medium-sized enterprise employs less than 250 persons and has either turnover of maximum 50 million euro or balance sheet total of maximum 43 million euro. (European Commission 2011b.)

Social media is a rather new term that lacks a profound and clear definition (e.g. Scott 2007; Wunsch-Vincent & Vickery 2007). Scott (2007) suggests that social media could be defined as something that describes how people “*share ideas, content, thoughts and relationships online.*” A fact increasing the confusion is that sometimes social media can be referred to as user-generated or consumer-generated media (Shao 2009, Mangold & Faulds 2009). Even though there is a lack of coherency in defining

social media, academics seem to share ideas on the characteristics of it. One of the main things that divide social media from traditional media is that it has practically no delays in publishing of content. The created content is available as soon as it has been uploaded. (Wunsch-Vincent & Vickery 2007.) The content can also be changed or modified without delays. Another important feature of social media is that theoretically anyone can create it (Scott 2007). There are no traditional gatekeepers who decide what content will be published. On one hand this might have a negative effect on the quality of the content. But on the other hand users and receivers define what is interesting and how valid the information is by commenting on it, recommending the content to other users and rating the content. (Wunsch-Vincent & Vickery 2007.) Social media is also under a constant change and users collaboratively create, share, alter and destroy information (Evans 2008). For instance, an individual can upload a video on Youtube and other users can comment and rate the uploaded video or even share it on some other website.

Another characterising attribute of social media is that most of the content is made by individuals who use social media for self-expression and to connect with other users online (Wunsch-Vincent & Vickery 2007). Furthermore, the usage of social media can be divided into consuming, participating and producing. Consuming is similar to the usage of traditional media as there is no real interaction between the content and the user. A user purely consumes the content for information and entertainment. Participating means that the user somehow reacts to the content and takes part in the communication in social media. Motivations for participating in social media are social interaction and community development. Producing means the actual creation of social media and is mostly done for self-expression and self-actualising. These three ways can be used interdependently too. (Shao 2009.)

From a technical perspective social media can be defined as the content produced with Web 2.0 tools and features. Web 2.0 can be seen as the collection of open-source, interactive and user-controlled online applications that have given more power to users and expanded their online experience (Constantinides & Fountain 2008, 232). In a way Web 2.0 tools are the enablers of social media. The different types of social media tools (or Web 2.0 tools) have been described in many publications and the author does not see it necessary to present and discuss them also in this thesis. Good presentations of the different forms and tools are presented, for example, in publications by Mustonen (2009), Phillips and Young (2009), Kaplan and Haenlein (2010), and Leino (2010).

The author does not see one definition of social media over others nor does she try to make a conclusive definition of her own. Social media is in this research rather interpreted through the discussion above. It is especially seen as a way for consumers to share and create information without gatekeepers and as a way of communication in which collaboration and new technologies are embraced.

2 INTERNATIONAL SME BRAND COMMUNICATION THROUGH SOCIAL MEDIA

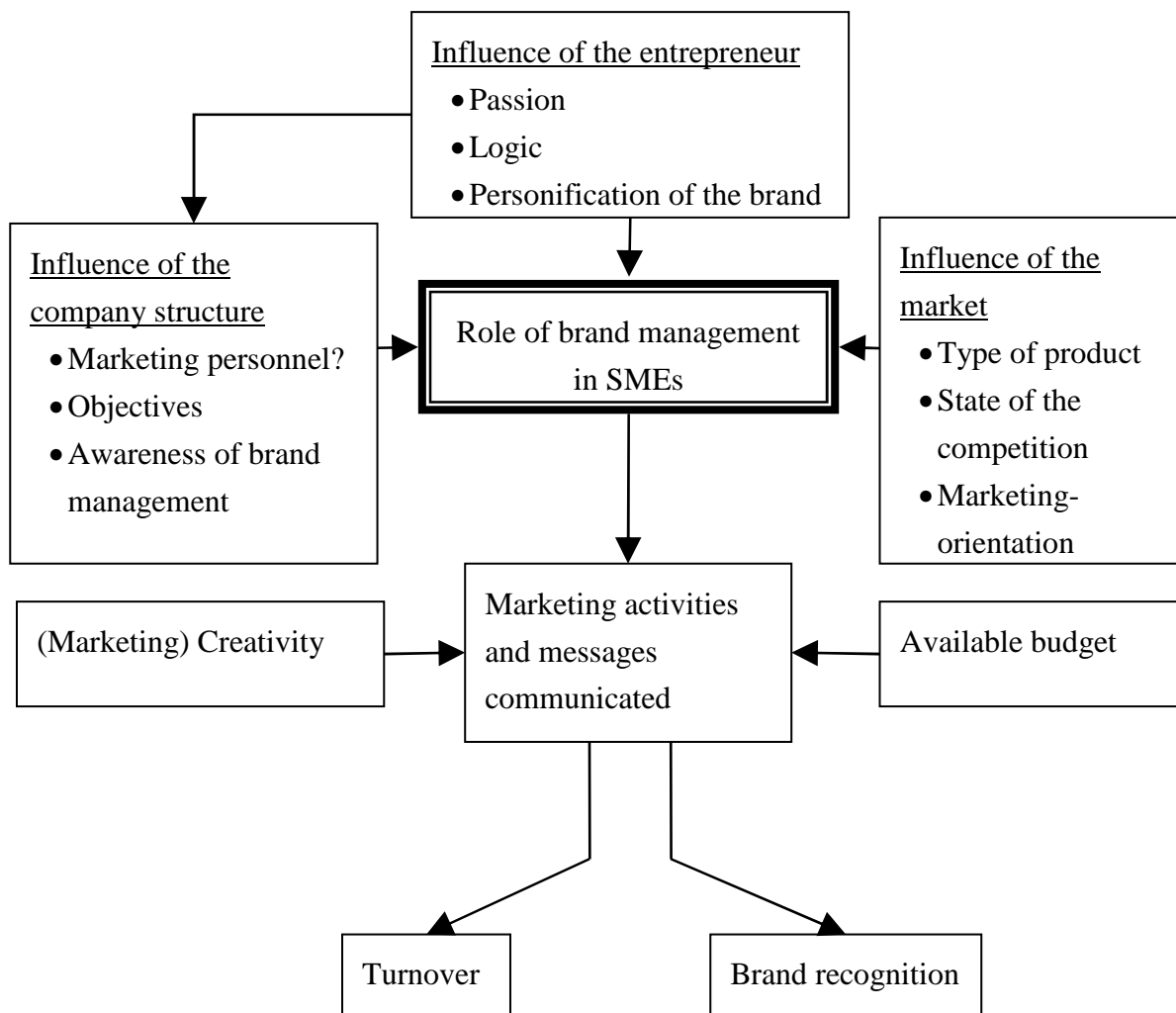
SME branding is a growing area of interest and research inside the branding literature but the theory of SME branding is only at the stage of formation (Krake 2005; Merrilees 2007; Ojasalo et al. 2008; Spence & Essoussi 2010). Especially, theory on the international aspects of SME branding is lacking. The aim of this chapter is to review theory and create a theoretical framework for international SME brand communication through social media. First, in Chapter 2.1 the characteristics of SME branding are discussed. In Chapter 2.2 strategic aspects of international branding of SMEs are deliberated. Then, in Chapter 2.2 social media as a brand communication channel is discussed.

2.1 SME branding

SMEs themselves have a limited and narrow understanding of branding (Wong & Merrilees 2005) and brand management is not the highest priority in SMEs. In addition, they are not always aware of the importance of brand management nor do they always have the resources for it. On the contrary, large (multinational) companies almost always understand the importance of brand management inside the company and have the resources needed. (Krake 2005.) Nevertheless, Abimbola and Vallaster (2007) argue that a holistic brand management approach actually suits SMEs better than large companies. SMEs also build brands in a more integrative manner than large organisations (Abimbola & Kocak 2007). The advantage of SMEs compared to large companies lies in more flexible structures and processes. In addition, the information cycle is normally shorter in SMEs than in large organisations. Therefore, SMEs can react quickly and ensure providing positive experiences with the brand to customers and keep them satisfied. (Abimbola & Vallaster 2007.)

One of the few models concerning SME branding has been created by Krake (2005). He has created a model which takes many different factors that affect branding activities in SMEs into account. The model is illustrated in Figure 2 on the next page.

Figure 2 Brand management in SMEs



Source: modified from Krake (2005, 233).

The model has a special focus on the role of the entrepreneur. This is important as brand management in SMEs relies heavily on the owner or entrepreneur. First of all, the owner decides the structure of the company and how much attention is paid to brand management overall. (Krake 2005.) Secondly, according to Krake (2005, 233) the entrepreneur is often:

“... the personification of the brand and, as such plays a direct role in communicating the brand to the outside world.”

Therefore, brands in SMEs can even be seen as the continuation of the vision, beliefs and values of the entrepreneur. Overall, in SMEs brands are based more on intrinsic feelings than on extrinsic research and the values of the entrepreneur serve as the main source of brand associations in the development of core brand identity. (Spence & Es-

soussi 2010.) As a whole, in SMEs the entrepreneur has a stronger and more direct influence on brand management than in large companies (Krake 2005). In order to create a strong SME brand, Krake (2005) suggests that SMEs should utilise the character of the entrepreneur in branding and ensure that it is connected with the character of the brand. As the entrepreneur has such a significant role in brand management, there is a risk that the personnel might feel left out. Successful SME branding, however, requires involving the personnel in the brand building process. Otherwise, the personnel might not commit to the brand building and resist change in the process. (Ojasalo et al 2008.) In addition, SMEs should aim at creating passion for the brand inside the company (Krake 2005). Externally an SME can benefit of the network of the entrepreneur (Bresciani & Eppler 2010).

SMEs differ from large organisations by the fact that the market has a greater influence on brand management than in large organisations. SMEs are more dependent on the market and have little power to influence it whereas large organisations can affect the market much more and even create submarkets. (Krake 2005.) In international context SMEs face even more competition and have even less market power (Wong & Merriëes 2008). Also, the type of product or service and competitors influence brand management in SMEs because consumers give different weight to the brand when buying different products (Krake 2005).

In addition to actual brand building, brand management in SMEs covers the marketing activities and communication which are naturally highly affected by the marketing budget and creativity. Compared to large organisation, SMEs have smaller marketing budgets in absolute terms (Krake 2005) and brand building resources are often limited. But SMEs can be innovative in brand building by using affordable means of communication and focusing on targeted segments. (Ojasalo et al. 2008.) Therefore, an integrated and focused communication strategy is essential in creating brand equity in SMEs (Spence & Essoussi 2010). Moreover, the brand elements should be well-integrated together and they should fully support brand awareness and brand image (Krake 2005). SMEs should not compare their brand communication strategies to large multinational companies, but instead SMEs should pursue innovative, creative and unconventional branding activities, such as organise events, create positive word-of-mouth and develop online branding campaigns (Bresciani & Eppler 2010). Using the country-of-origin image as a relevant secondary association is another way to enhance brand building at low cost (Spence & Essoussi 2010). The brand communication program should not be too complicated but instead concentrate on one or two significant brand associations that are the basis of brand equity. The communication should be consistent and the marketing policy should be logical. (Krake 2005.)

It is important to notice that the goal of brand management and its activities in SMEs is two-fold. Firstly, the aim of brand management is to create brand recognition. But

secondly, while creating brand recognition SMEs need to concentrate on selling in order to survive whereas larger organisation can have whole department focusing solely on brand management. Therefore, the second goal of brand management in SMEs is creating turnover. (Krake 2005.)

Finally, the overall level of brand orientation affects the brand-marketing performance of SMEs. Brand orientation refers to the level of importance of branding inside the company. In a highly brand-oriented firm the brand and branding are the central focus of business. Brand-marketing performance, in turn, refers to the result how well the branding strategy and activities achieve competitive advantage over the competitors. It should be evaluated on multiple ways as brands are complex entities. Wong and Merrilees (2005) suggest that a high brand orientation has a positive effect on the brand-marketing performance. Gabrielsson (2005, 208) has proposed that experience and motivation of entrepreneurs facilitates achieving brand recognition on a global level. However, Wong & Merrilees (2005) note that success in branding comes from multiple things and brand orientation is only one variable in the whole process. They name also brand distinctiveness and brand barriers as important factors affecting the brand-marketing performance. They have also identified three different brand orientation archetypes which are minimalist, embryonic and integrated brand orientation for SMEs. (Wong & Merrilees 2005.)

An SME which has a minimalist brand orientation is often short-term focused and has a selling or production approach to business opposed to being marketing or brand-oriented. The goal of business might be even survival oriented. Brand distinctiveness is also low. Overall, the company has low-key marketing across the board. (Wong & Merrilees 2005.) In SMEs where the role of brand management is low and budget allocated at brands is minimal or not existing, the brand is likely not to succeed in gaining external brand recognition. These brands could be called underprivileged brands and they are likely to stay in the same level of development if the SME does not put more effort on brand management. (Krake 2005.)

The second orientation is the embryonic brand orientation. Compared to SMEs with the minimalist brand orientation, SMEs with the embryonic orientation recognise the need for marketing and development of a competitive advantage. They also understand their current competitive advantage and positioning and are hence aware of their differential strengths. However, branding is still seen as optional and it is very informal. The branding strategy is implicit and the company uses a narrow range of promotional tools. Word-of-mouth is an important part of communication. (Wong & Merrilees 2005.)

The third orientation is the integrated brand orientation. Companies with integrated brand orientation understand their competitive advantage and distinctive features already well in comparison to those of competitors. The brand has become an important part of the marketing strategy and branding is no more seen as optional but as an inte-

gral part of the marketing strategy. This results in a larger role of branding in implementing the marketing strategy and companies with integrated brand orientation use a wider range of promotional tools. Marketing messages have also a stronger branding aspect. In companies with a high level of brand orientation the whole personnel prioritise branding and the brand becomes the centre of the focus. (Wong & Merrilees 2005.) This high involvement in branding and determination in building a strong brand create good possibilities for the brand to gain external recognition. Naturally, the management has to also make budget available for brand management. Through continuous development the brand can achieve a high degree of brand recognition and become an established brand. The SME can now gain the benefits of success and extend it to the future if the situation is maintained and the brand is developed further. (Krake 2005.)

However, some brands can sometimes have high brand recognition although the management has not supported this with suitable structures inside the company. These brands can be called historical brands. They have gained high brand recognition due to some past events even without the devotion of the organisation. Moreover, it is good to remember that SMEs are a very heterogeneous group and it is difficult to give general rules of success. There are no common tracks or routes to success for SMEs. (Krake 2005.)

2.2 Dimensions of international branding strategies of SMEs

Developing and communicating international brand(s) in an SME is a multidimensional task and it is affected by the decisions concerning the international branding strategy. In this research the strategic decisions concerning brand structure, branding approach, and degree of standardisation are taken into account. They are discussed separately in this chapter.

The **brand structure** can be analysed by looking at the type and number of brands an SME has. In other words, a brand structure refers to the current set of brands a company has across markets and businesses (Douglas, Craig & Nijssen 2001) and is affected by history, corporate culture, company policy, product range and market structure (Laforet & Saunders 1994). Decisions concerning brand structure are strategic and have a long-term effect on the company (Kapferer 2008). Krake (2005) and Keller (2003) have suggested that SMEs should keep their brand structure simple and concentrate on building only one or two strong brands in order to prevent consumer awareness and budget being scattered over several brands. Single brand strategy suits especially SMEs that target consumers and aim at rapid internationalisation (Gabrielsson 2005). Another view argues that even with limited resources SMEs can actually use a number of branding strategies to enhance their brand. This can allow risk diversification and growth sus-

tainability. But the chosen strategies have to be in line with the capabilities of the SME. (Spence & Essoussi 2010.) According to Douglas, Craig and Nijssen (2001) there are three major patterns for an international brand structure. These patterns are corporate-dominant, product-dominant and hybrid or mixed structures.

In a corporate-dominant structure the corporation is the main driver for brand value and the brand is created around the corporation. The corporate brand serves as a master brand and provides an umbrella under which different products and businesses operate. (Aaker & Joachimsthaler 2002.) In SMEs the corporate brand identity seems to develop around the entrepreneur (Rode & Vallaster 2005). The development of a corporate brand in small companies begins often already before the establishing the company. The pre-establishment stage includes corporate brand building activities, such as planning and deciding the company name, beginning to form the core values and developing the company idea. In small companies the corporate values serve as the core of the corporate brand. The corporate values, in turn, are closely connected to those of the entrepreneur especially in the beginning. (Juntunen, Saraniemi, Halttu & Tähtinen 2010.) The corporate brand development in SMEs should be guided by a clearly defined business concept, values and philosophy. The entrepreneurs should also make sure that the communication of the corporate brand is consistent in order to create a coherent corporate brand in the eyes of consumers. (Rode & Vallaster 2005.)

The corporate brand strategy enhances clarity and synergy of the brand structure. (Aaker & Joachimsthaler 2002). In addition, it can simplify the brand portfolio and ease the brand portfolio management (Kay 2006). The corporate-dominant structure also enables leveraging the corporate brand and minimum investment on new offerings. From the communications perspective, a single corporate brand is easier to understand and remember than multiple individual product brands and the exposure of the corporate brand in any context enhances the brand awareness throughout the business. (Aaker & Joachimsthaler 2002.) For SMEs having a single brand representing the company and its products can be way to prevent loss of attention and to heighten the brand awareness within the company (Krake 2005). Corporate branding can also be efficient way to build brand equity in SMEs (Keller 2003). Another advantage is that corporate brands have more freedom because they are not tied to specific product attributes like individual product or service brands are (Keller 2003). As the corporate-dominant structure highlights the company, it provides a possibility for a company to defend its reputation and to express their actions, values and missions more coherently (Melewar & Walker 2003; Kapferer 2008). On that account, customers can instantly recognise some of the added value gained from the company. In international expansion corporate-dominant structure can result in economies of scale because managing one corporate brand is more cost-effective and simpler than having many different brands across markets (Melewar & Walker 2003). Another advantage related to international expansion is the capitalisa-

tion on one single name. A company can profit from the awareness and reputation its corporate brand has elsewhere when moving to new markets. This existing awareness can help the public to accept the brand and permit considerable savings when entering a new market. (Kapferer, 1997.) A strong corporate brand is also helpful in creating distribution networks and it can strengthen pricing flexibility (Kay 2006).

The disadvantage of the corporate-dominant structure is that a failure or underperformance of the corporate brand affects a significant amount of sales and profit negatively (Aaker & Joachimsthaler 2002). Especially when entering new markets, a failure of the corporate brand can be severe and it might prevent the company from entering the market for a long time. Moreover, it might be complicated to precisely manage the corporate brand and its components abroad. (Melewar & Walker 2003.) The corporate-dominant structure is not the optimal choice either when the brand is stretched over a very heterogeneous group of products or services. This diminishes the power of the brand because it might become a simple name on products and limits the ability to target specific segments as compromises need to be done. (Kapferer 1997; Aaker & Joachimsthaler 2002.) The consumers might also become confused of what the company is actually offering (Melewar & Walker 2003). Overall, true corporate-dominant structure is rare in companies (Laforet & Saunders 1994) and it is mostly found in companies that have a relatively limited range of products and a clearly defined target market (Douglas et. al 2001).

In a product-dominant structure each product (or product line) has its own brand with a specific and well defined positioning and individual brands have little connection to each other. Each brand occupies its respective segment of the market and tries to maximise its impact on the market. This structure is sometimes called 'a house of brands' as the company behind the brands stays unknown. (Aaker & Joachimsthaler 2002; Kapferer 2008.) Product-dominant structures tend to be found in companies that have multiple local or national brands or in companies that have leveraged power brands to expand internationally (Douglas et al. 2001).

The advantage of having individual, unconnected brands is that they can be clearly positioned based on their functional benefits and they can target well niche markets (Aaker & Joachimsthaler 2002). By having a product-dominant structure a company can underline the differences between products and have multiple brands in the same market without a conflict. Therefore, the product-dominant structure suits companies which focus on one market and aim at occupying it on the whole. (Kapferer 2008.) Another advantage of creating new brands for new products instead of using an existing one is that it enables companies to signal breakthrough advantages or innovations without the weight of existing brand associations (Aaker & Joachimsthaler 2002). This can result in the new brand becoming a nominal reference in the market (Kapferer 2008). The product-dominant structure allows taking risks when entering new markets because if an

individual brand fails, the company can try to enter the market with another brand (Mewar & Walker 2003). As the company name remains unknown and brands are not connected, there is no risk of negative spillover effects on other brands or on the company when a brand fails. But then again in case of success, the product-dominant structure does not enable positive effects in a way how the corporate-dominant structure does. (Kapferer 2008.)

Disadvantages of product-dominant structures are a loss of economies of scale and synergy effects that come from leveraging one brand across businesses (Aaker & Joachimsthaler 2002). As SMEs have already limited resources, building several independent brands might not be desirable. It is also expensive to always create and launch a new brand for a new product. The structure can be justified in growing markets where even a rather small market share can mean high volumes. In saturated markets it is more advantageous to link the innovation to an existing brand than to create a new brand. (Kapferer 2008.)

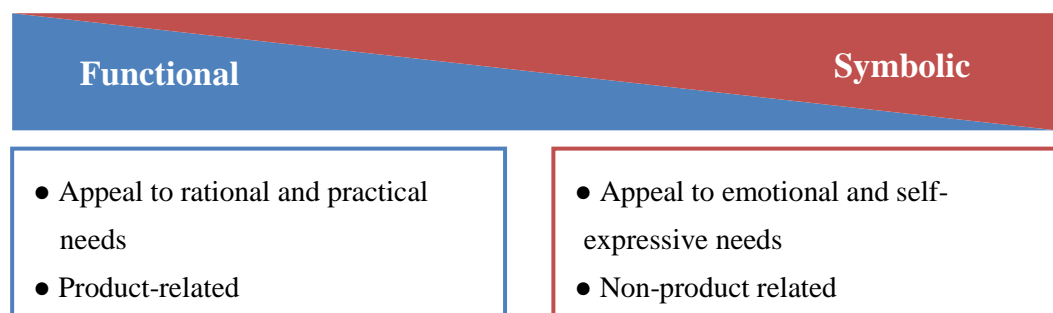
The third and most common brand structure is hybrid or mixed. This structure consists of a mix of corporate and individual product-level brands or different structures for different product divisions. Often both corporate- and product-dominant structures evolve towards a hybrid or mixed structure in the long run. Companies with a corporate-dominant structure tend to add brands to other levels whereas companies with a product-dominant architecture aim at increasing integration between brands by decreasing the number of brands or by creating a corporate brand (Douglas et al. 2001.) A mixed architecture is a compromise between the power requirements that push for a single master brand and the personalisation requirements that push for individual, segmented brands which have a clearly differentiated identity (Kapferer 2008).

In addition to these three major brand structures, SMEs can cooperate with other companies and pursue co-branding (Krake 2005; Ojasalo et al. 2008). In co-branding brands from two different companies unite openly to create an offering in which each brand is in a driver role of the brand value (Aaker & Joachimsthaler 2002; Kapferer 2008). Co-branding aims at exploiting the reputation of the partner brand while attempting to catch an instant recognition and a positive evaluation from possible customers (Chang 2009). Every brand has its limitations concerning identity and its specificity and a partner is used to fill the gaps where the brand is not competent or legitimate (Kapferer 2008). Therefore, co-branding can enhance the value proposition and differentiation of a brand which might result in increased customer confidence (Aaker & Joachimsthaler 2002; Chang 2009). Sometimes the goal of co-branding is to create buzz around a brand among opinion leaders (Kapferer 2008). As two companies are involved, co-branding can be a means to share risks (Chang 2009). For SMEs co-branding can be means to speed up and enhance the brand building as the reputation of an established partner can give leverage and credibility to a small company (Ojasalo et al. 2008).

When partnering with another brand or company, the SME should carefully evaluate the pros and cons of the partnership (Ojasalo et al. 2008). One of the most important issues to evaluate is whether the alliance will be favourable in the eyes of the customers (Kapferer 2008). A key to successful co-branding is finding a partner brand that will enhance the offering with complementary associations (Aaker & Joachimsthaler 2002). In addition, it is important that the images of uniting brands are complementary in a way which creates value. The brands need to fit together and share a common vision and value. (Kapferer 2008.) Co-branding should be beneficial for both brands (Aaker & Joachimsthaler 2002; Chang 2009). At least, the created co-brand should not damage the associations of either brand. When the results are inadequate for one of the companies, it might withdraw or lose interest. Overall, it should be remembered that brand management becomes more complex when two separate companies are involved. (Aaker & Joachimsthaler 2002.)

After deciding on the brand structure, the SME has to consider what kind of **branding approach** (sometimes called brand concept) they have. The core requirement for a brand is to provide value for customers and satisfy their rational and emotional needs (de Chernatony, Harris & Dall’Olmo Riley 2000). The value of the brand is communicated to consumers through the value proposition that states the functional and symbolic benefits (Aaker & Joachimsthaler 2002). Depending on the weighing of functional and symbolic benefits in the value proposition companies can have different branding approaches (Park, Jaworski & MacInnis 1986; Bhat & Reddy 1998; Mowle & Merrilees 2005). Investigating a brand through its functional and symbolic values suits also SMEs with limited resources for brand management (Mowle & Merrilees 2005). Figure 3 illustrates the continuum of different branding approaches based on the weighing of functional and symbolic benefits.

Figure 3 Weighing of benefits



Functional benefits satisfy the practical and immediate needs of consumers (Bhat & Reddy 1998) and they appeal to the rational side of the consumer (Aaker & Joachimsthaler 2002). They are often linked to basic motivations such as well-being and

health (Orth & De Marchi 2007). Functional benefits are usually connected to the actual product and represent the concrete and tangible value of the brand. Consumers evaluating functional benefits of a brand are thus analysing in a practical and rational manner the concrete advantages of the product, such as performance, usability and price-quality ratio. (Fioroni & Titterton 2009.)

Symbolic benefits, in turn, satisfy internally generated needs such as needs of self-expression, social approval and prestige while practical needs are a side issue (Park et al. 1986; Bhat & Reddy 1998; Orth & De Marchi 2007). Brands with symbolic benefits can be means for consumers to express their personality and proclaim a specific self-image (Bhat & Reddy 1998; Aaker & Joachimsthaler 2002). Contrary to functional benefits, symbolic benefits are usually related to non-product-related attributes (Orth & De Marchi 2007). Symbolic benefits that appeal to the emotions of the consumer and give the consumer positive feelings during the purchase or use are often called emotional benefits. Strong brand identities often include benefits that appeal to emotions and they add richness and depth to owning and using the brand. (Aaker & Joachimsthaler 2002.) Consumers evaluate symbolic benefits with a more emotional manner than functional benefits and use more subjective criteria such as taste, pride, the need to strengthen a sense of belonging to a group and the need to express oneself through consumption decisions (Fioroni & Titterton 2009).

The decision on a branding approach should be based on consumer needs, fit with macro-environmental trends and relevant stakeholders. Moreover, the internal environment of the company has to be taken into account and factors such as resources, image, production capabilities and product portfolio of the company affect the decision. The choice of a branding approach should be regarded as a decision with long-term impact on the overall branding strategy and the chosen branding approach needs to be developed and nurtured in order to achieve a sustainable competitive advantage. It should work as a strategic plan and guide the positioning and communication decisions throughout the life cycle of the brand. This can enable the creation of a consistent brand, cost-savings in maintaining the brand and longer duration of the brand's life cycle. (Park et al. 1986.)

Park, Jaworski and MacInnis (1986) proposed in their classic article that brands should be based only on one concept, either on functional or symbolic benefits, in order to enhance the consistency and efficiency of branding. Nowadays it is seen that the value of a brand is a multidimensional construct and therefore brands can and should have both functional and symbolic benefits to provide a strong value proposition (e.g. Bhat & Reddy 1998; de Chernatony et al. 2000; Aaker & Joachimsthaler 2002; Fioroni & Titterton 2009). Also SMEs can use both functional and symbolic associations in brand building without creating confusion among consumer (Spence & Essoussi 2010). Viewing the brand too narrowly can actually result in a limited perspective and a weak

brand. A common problem is to focus solely on functional benefits. (Aaker & Joachimsthaler 2002.) Brands can appeal to both functional and symbolic needs of a customer simultaneously as they are separate concepts in the minds of consumers. Companies should take care that the different benefits of the brand are in line with each other in order to avoid confusion among consumers and a weak brand image that is neither functional nor symbolic. (Bhat & Reddy 1998.)

Mowle and Merrilees (2005) have created two general branding approaches for SMEs based on the weighing of functional and symbolic benefits. The first is a product-driven branding where the main emphasis is on the product itself and the brand is created around the product. The value proposition of the brand is mostly based on the functional benefits whereas symbolic benefits play a smaller role. (Mowle & Merrilees 2005.) Basing the value proposition on functional benefits can offer a sustainable advantage but it might categorise the brand tightly and make it therefore vulnerable to product-related changes. Product-driven brand is often harder to transfer to other contexts than a brand that highlights the symbolic benefits. (Aaker & Joachimsthaler 2002.) Differentiation based on product-related benefits is also easily copied and needs therefore continuous improvement (de Chernatony et al. 2000; Kapferer 2008). In addition, when the functional benefits play the main role in the value proposition, the company should take particular care that the actual product delivers the promised benefits. This is important because the post-experience evaluation of consumers affects more brand images with emphasis on functionality than brand images highlighting symbolism. When the consumer experience is inconsistent with the promised benefits, repeat sales can be strongly affected. (Orth & De Marchi 2007.)

The second approach is a marketing-driven branding in which the company focuses on the experience around the brand additionally to the product. The value proposition has a stronger appeal to the symbolic needs of consumers while the functional benefits play a minor role. (Mowle & Merrilees 2005.) An advantage of this approach is that while some customers may attach greater importance to functional benefits, symbolic value helps the brand stand above others. Brand benefits associated with beliefs and values are the most powerful and difficult to imitate. Therefore, intangible, symbolic benefits that represent the essence of the brand and express the core value of the brand are more likely to be sustainable than functional benefits based on the physical features of the product. (de Chernatony et al. 2000.) Another reason favouring the marketing-driven approach is that nowadays consumers tend to take functional benefits for granted while looking more and more for products that guide and help them to survive in a society which is more complex and selective than ever (Fioroni & Titterton 2009). But symbolic benefits are harder to evoke through advertisements and they are less effective in creating initial purchasing intent. But once being evoked, symbolic benefits are not as vulnerable to the post-experience evaluation of consumers as functional benefits are.

Thus, in the long-term it might be wise to concentrate more on symbolic than functional benefits. (Orth & De Marchi 2007.)

On international markets SMEs have to decide on the **degree of standardisation** (or adaptation) across markets. According to the extreme view of Levitt (1983), only global companies using a global strategy will succeed in the long term. The global strategy aims at standardisation at all levels and sees the world or respectively major regions as a single market where products are sold in same way (Levitt 1983). This approach has a strategic appeal when consumers with similar needs and tastes around the world can be segmented in a meaningful way in order to create larger markets (Hassan & Katsanis 1994; see for reference Pitta & Franzak 2008). Branding strategies that aim at standardisation are often justified with economies of scale (Levitt 1983, Schuiling & Kapferer 2004) as standardised international brand can reduce costs in all business areas, including R&D, manufacturing, and logistics (Schuiling & Kapferer 2004).

Standardised brand communication results in significant cost reductions when the same campaigns and programs can be used in multiple countries with no or only a little adaptation (Aaker & Joachimsthaler 2002). Because the number of brands and local variations is reduced, standardisation enables larger communication budgets to support a single global brand. This is especially important in the context of high advertising and media costs. (Schuiling & Kapferer 2004.) The opportunities for standardised brand communication become even greater and more attractive because of the rising internationality of media (Kapferer 2008). Standardisation can also enhance the effectiveness and profitability of international branding as better resources are available when assets are concentrated and duplicated tasks such as creating advertisement can be cut (Aaker & Joachimsthaler 2002; Kapferer 2008). In addition, standardisation can speed up the process of bringing new products to the market as time-consuming local modifications can be reduced or left out. When the company does not use a standardised branding strategy, the process is much more time-consuming. (Neff 1999 see for reference Pitta & Franzak 2008; Schuiling & Kapferer 2004.) From an internal point of view standardised branding strategy can help a company to integrate its activities worldwide (Douglas et al. 2001), and from an external point of view standardisation can facilitate the creation of a common image and identity across markets (Douglas et al. 2001; Schuiling & Kapferer 2004). Once a globally standardised brand is created it is also easier to manage than multiple country- or market-specific brands. Standardised brands benefit from cross-market exposure. (Aaker & Joachimsthaler 2002.) As SMEs have limited resources, targeting a global niche market with standardise strategy could be suitable for SMEs. Especially SMEs targeting consumers seem to choose standardised strategy (Gabrielsson 2005). Moreover, one man companies and companies that use the creators name have from the beginning more standardised strategy globally. In addition, the fact

that if products are produced in single factory is factor pushing towards globalization. (Kapferer 2008.)

However, a standardised strategy is not the only option and many of the brands that are viewed as standardised global brands are actually adapted to local needs to some degree. For example, McDonald's has regional adaptations in its menu and the Coca Cola taste varies in different parts of the world. Global brands often have local variations in order to compete and serve the local needs and wants. This approach decreases the efficiencies in production but enables savings in downstream activities, such as communication, that result from effective global branding. (Pitta & Franzak 2008.) The benefits of standardised communication do not always exist as sometimes localised communication is more effective and economical than using and possibly adapting global campaigns (Aaker & Joachimsthaler 2002). Adjusting the brand to local needs has also the possibility to enhance the overall international marketing communication of SMEs (Wong & Merrilees 2008). Sometimes growth can be achieved only through market adaptation which can function as a driver for innovation (Kapferer 2008).

Following the standardisation strategy can be difficult because while it is already challenging to find a superior brand strategy in one country, the situation becomes even more complex and challenging on an international setting (Aaker & Joachimsthaler 2002; Pitta & Franzak 2008). It is difficult to find a position that works across markets and sometimes the differences between the markets are too fundamental for an internationally standardised brand to be the optimal or even feasible choice (Aaker & Joachimsthaler 2002). Standardised brands are also problematic when they are used by different segments in different countries. This might lead to a situation where the standardised branding strategy might not work in all target countries (Kapferer 2008). In addition, differences in the legislation and culture still exist between countries and they might cause a standardised branding strategy to fail in some markets. Finally, consumption habits vary in different countries and global brands must cut down their ethnicity. (Kapferer 2008.)

Svensson (2002, 578-579) even argues that a global marketing strategy that strives for maximising standardisation and homogenisation of marketing activities across markets is "*likely to be a managerial utopia*" that can exist at its best only on a strategic level. It is less suitable on an operative or a tactical level, if even realistic or feasible to implement. Based on this view, standardised branding strategies might be sensible on a strategic level, but on an operational level branding activities have to be developed from the perspective of the target market. (Svensson 2002.)

Rather than seeing standardisation and adaptation as black and white options, the standardisation process should be seen as a vacuum of options (de Chernatony, Halliburton & Bernath 1995) and every company has to find the right balance between standardisation and adaptation in international branding. A single solution which works for

every company does not exist. (Kapferer 2008.) Viewing the development of an international brand as a two stage process can alleviate the decision of which elements to standardise. In the first stage the core essence of the brand is developed. This core essence refers to the added value positioning of the brand or in other words what the brand stands for. It should be unaltered across markets. In developing the core essence, the company should first identify the added values and the positioning of the brand. After establishing the core essence of the brand, the execution of the brand's benefits on an international level can be planned and implemented. Brand execution handles issues concerning the implementation of the brand such as packaging, product content, tactical promotions, creative and media policy. Contrary to the core essence, execution may be adjusted to local needs. In order to know to which extent the brand should be standardised, the company should analyse the external and internal environments. (de Chernatony et al. 1995.)

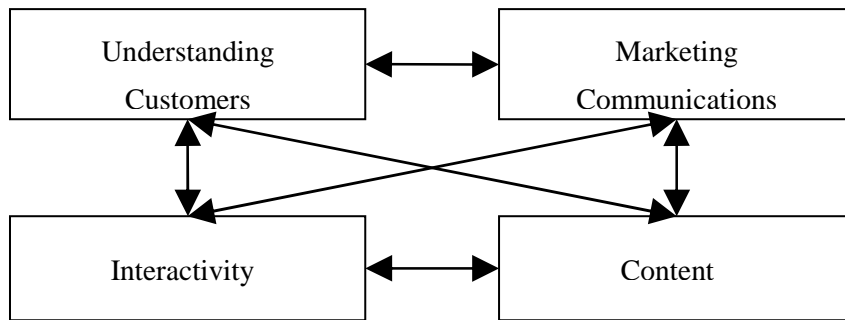
2.3 Brand communication in social media

“It is clear that we have entered a digital age, and the strong brands of this era will be those that best utilise the Web as building tool.”

The above quote from Aaker and Joachimsthaler (2002, 230) is more up to date today than when it was published. Nowadays, the internet is an important branding environment that needs specific models and theories. For example, social media can be used for advertising and promotion purposes (Mustonen 2009). For SMEs the internet offers a great number of innovative brand communication opportunities due to its low cost and wide reach (Bresciani & Eppler 2010). As social media is global in nature, it suits SMEs that aim at creating a standardised brand image globally (Gabrielsson 2005). However, it seems that most SMEs have still a lot to learn about online branding (Bresciani & Eppler 2010). It can be argued that brand is brand, regardless of its environment, but the execution of branding has to be modified to different environments (de Chernatony & Christodoulides 2004).

Simmons (2007) has created a conceptual framework for online branding. The framework includes four different elements that are highly interrelated. In order to succeed in online branding, the integration of all four elements is crucial when planning and executing an online branding strategy. (Simmons 2007.) The four different elements of the framework and their interconnectedness are presented in Figure 4.

Figure 4 The four pillars of i-branding



Source: modified from Simmons (2007, 545).

The first element, **understanding customers**, is the basis of all branding. In order to succeed in online branding it is critical that companies build genuine relationships with their customers. To do that, companies need to understand their visitors. (de Chernatony & Christodoulides 2004.) In social media understanding can be enhanced by listening to customers and by engaging in discussions with them (Kaplan & Haenlein 2010; Leino 2010). Success in online branding comes from this two-way communication with the customers opposed to the monologue by companies in traditional media (de Chernatony & McDonald 2003; Mangold & Faulds 2009; Leino 2010). Companies that do not listen to consumers will be left behind (Smith 2009).

Companies should also realise that consumers do not just passively consume brands but instead they are co-creators of value in online communities. This consumer involvement in the value creation does reduce the power of brand owners who have to control their brands. However, as consumers become more involved in brand building, they are also more likely to forgive some of the mistakes of the brand as they might feel partly responsible. (de Chernatony & McDonald 2003.) Engagement with consumers will be the key in turning consumers into long-term advocates of the brand because they will share their positive opinions online and offline in addition to purchasing loyalty (Smith 2009). Hence, companies should focus more on communities and start reacting more rapidly to new suggestions from consumers. Overall, companies should aim at relaxed control over brands even though the classic branding literature promotes tight control. (de Chernatony & McDonald 2003.)

In addition to understanding customers, companies need to be humble and learn how social media itself works before entering it. Brands in social media should act and behave like other users and not aim at being perfect, polished and overly professional. The stories and texts published need to be authentic and believable. Therefore, companies should not be afraid of doing mistakes in social media. (Kaplan & Haenlein 2010; Leino 2010.) Moreover, consumers do not appreciate companies or brands that focus only on

selling and pushing marketing messages in social media (Leino 2010). In order to have a coherent image in social media, companies should also consider how social media is managed inside the company and create the social media policy accordingly. Companies should always be honest in social media as there is a major chance that any dishonesty will come out. (Kaplan & Haenlein 2010.)

Concerning **marketing communications** companies should accept that a great amount of information concerning products and services is already communicated between consumers in social media and the ability of companies to control the timing, content and frequency of the information has eroded (Rowley 2004; Mangold & Faulds 2009). Compared to traditional promotion channels social media is unique as it enables consumers to communicate with other consumers. This can be seen as an extension of traditional word-of-mouth communication. (Mangold & Faulds 2009.) Online communication combines the reach of mass media with the possibility for personalised messages characteristic for a two-way dialogue (Simmons 2007). Personalised brand communication can offer extra value to customers as messages can be made more relevant to specific situations (Merisavo 2008). Another difference between social media and traditional promotion channels is that social media is more of a mind-set than a true channel although it can be used as a promotional channel, too. Social media itself consists of multiple channels such as blogs, social networks or wikis. These channels enable the creation and sharing of social media to other users of the internet. (Evans 2008.)

However, companies should not forget that all the traditional channels still exist and social media is a complementary extension to them (Evans 2008). Therefore, it is important to remember that like branding in any other media, branding in social media has to be integrated with other channels in order it to be successful (Haenlein & Kaplan 2009; Tikkanen et al. 2009). Overall, traditional and online channel strategies need to be aligned to avoid inconsistent or conflicting messages. This is important as the offline and online worlds are connected in the minds of consumers. (Rowley 2004; Haenlein & Kaplan 2009.) On an operational level this can be done by using both traditional and online promotional tools (Mangold & Faulds 2009) in a way that every media is used to its fullest potential (Clauser 2001). It is essential that companies make sure that each social media channel works efficiently on its own but is at the same time integrated to all other marketing channels (Keller 2009). Besides, the preferences of the priority audience have to be taken into account when planning a promotion using social media (Thackeray, Neiger, Hanson & McKenzie 2008). When planning brand communications online, the company should notice that customers have different relationships with the brand and the communication should be adapted to the differing needs of customers. One customer might have recently encountered the brand for the first time whereas another might already have a genuine relationship with the brand. (Merisavo 2008.)

Online brand communication should be frequent and messages should be repeated to a certain extent. However, companies must be careful with repetition as too much repetition might turn the effect negative due to irritation. Relational communication that aims at enhancing the customer's attitudes and loyalty on long term can be more frequent than promotional advertising. Relational communication can be for example providing hints, information or invitations to events. Recipients might view relational communication more as service than advertisement. Promotional advertising on the other hand focuses on generating sales and other responses on a short term. Promotional communication is often not profitable on the long-term and it does not create true customer loyalty as customers might be running after good deals. (Merisavo 2008.)

Online **interactivity** is needed in order to understand the customer better and to create more personalised marketing communication (Simmons 2007). Overall, enabling greater interactivity is a critical success factor of online branding (de Chernatony & Christodoulides 2003). Creating interactivity is a three stage process. In the first stage an organisation distinguishes one visitor from another. In the second stage an organisation should collect and memorise the inputs of the individual visitors. The aim of this is to understand the customers better through their own communication. In the third stage the previously gathered data is used to give tailored responses to individual customers. (Simmons 2007.) Using social media channels is a way to enhance interactivity itself but the actual channels to be used should be chosen with consideration. Companies should not aim at being present in too many forms of social media as success in social media requires active participation. The decision which type of social media to use should be based on the target market and the message which the company wants to communicate. After choosing the type of social media, the company has to choose the particular social media application or create a new one. (Kaplan & Haenlein 2010.) In any case companies should provide consumers with networking platforms or communities where to communicate and interact with other consumers with similar interests (Mangold & Faulds 2009) because internet users of the day want to interact with other users and actively participate in communication (Kapferer 2008). These networking possibilities can stimulate extensive brand communication that would maybe not occur or come to public otherwise (Aaker & Joachimsthaler 2002). In order to encourage interaction between members in networking platforms or communities, companies should promote communication and group cohesion (Casaló, Flavián & Guinalú 2008). It is important that the company manages the community and its sustainability in a long term perspective and creates shared experiences for the members of the community (Casaló et al. 2008; Tikkanen et al. 2009).

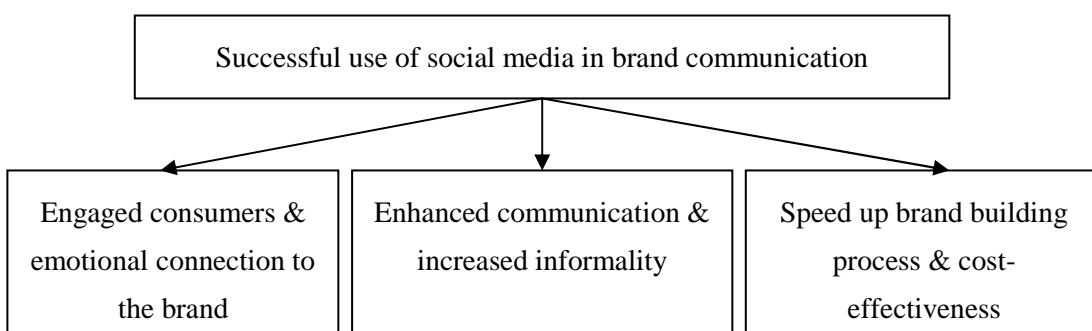
The fourth element of online branding and the one characteristic to an online environment is **content** (Simmons 2007). Companies should provide information and relevant content to consumers. This encourages consumers to actually talk about the prod-

ucts and services of the company as they have a basis to start the discussion from. (Mangold & Faulds 2009.) Providing information is also means for the company to express values and opinions (Kaplan & Haenlein 2010) and explain their reasons behind branding activities (Keller 2009). But companies should understand that social media users are also more critical toward the information as they themselves decide whether to follow a company or brand or not (Leino 2010). Therefore, the published content has to be up to date, interesting (Kaplan & Haenlein 2010) and even outrageous as the attractiveness of social media is highly based on entertainment and excitement (Mangold & Faulds 2009).

In addition to being interesting a company has to offer something exclusive to the engaged consumers online (Mangold & Faulds 2009). In other words, companies need to create value for consumers and satisfy their needs online in order to give them a reason to visit and return to the community or content (Casaló et al 2008; Tikkanen et al. 2009). This can be for example entertainment, free items, service (Tikkanen et al. 2009) or special offers for the members of the community (Casaló et al. 2008). The special offers should be tailored to the needs of different customers (de Chernatony & Christodoulides 2003). Providing a motivation to revisit further helps in the relationship building (Aaker & Joachimsthaler 2002). But companies should bear in mind that promises made online have to fulfilled offline too (Clauser 2001). Consumers need to be able to relate to the content and to the company, brand or product the community is based on. This can be done by supporting causes which are important to consumers (Mangold & Faulds 2009). The whole content should also be optimised so that search engines such as Google can find them.

If the above discussed factors are taken into account when planning and implementing branding strategy in social media, it can help companies in creating an emotional connection with the members and in consequence create loyal customers (Clauser 2001, 282). Overall, successful use of social media in brand communication can lead to various **advantages**. Some of the largest advantages are shown in Figure 5.

Figure 5 Advantages of using social media in brand communication



One of the main advantages of social media is that it can effectively engage consumers to a brand or company. The engagement results from various things. Firstly, the par-

ticipation of consumers in networking platforms or communities around a specific brand has a positive effect on their affective commitment to the brand (Casaló et al. 2008) and it can stimulate or even passionate extensive brand communication. Interaction between consumers can create the potential for a meaningful social experience involving the brand. This might lead to the situation where the brand becomes an important part of a person's life. This is the highest level a brand can reach. (Aaker & Joachimsthaler 2002.) Social media also allows consumers to have daily encounters with the brand and give feedback which might make consumers feel more engaged to the brand (Keller 2009; Mangold & Faulds 2009). Consumers might also feel socially belonging as they can communicate and bond with other consumers in social media. For companies, social media offers a way to explain consumers the reasons behind branding activities. (Keller 2009.) Furthermore, if the factors that affect the success of social media branding are taken into account, a trust between consumers and the virtual community will be built. This will ease turning community visitors into members who become contributors and finally from contributors into highly engaged evangelists of the community and the brand around which the community is developed. This results in consumers who develop greater emotional feelings and commitment to the brand. (Casaló et al 2008.) Clauser (2001, 279) has stated that

“Appropriate use of online tools can maximize the consumer's emotional connection, thereby increasing repeat visits, time spent on the site and number of page views, a group desirable characteristics that can be summed up as online brand loyalty.”

The interactive quality of social media eases the development of an emotional connection between consumers and a brand. Using social media in branding can strengthen consumers' sense of loyalty, ownership and belonging to a brand. (Clauser 2001.) Online branding capitalises on the ability of users to co-create value (de Chernatony & Christodoulides 2004). In social media consumers can become active co-creators in the creative process of branding instead of being merely passive receivers like in the past (Aaker & Joachimsthaler 2002; Thackeray et al. 2008). This is significant as consumer perceptions have always affected and defined the meaning of brands (Kay 2006). Moreover, the consumer participation might commit consumers to the brand and moreover, increase buying and customer loyalty. Furthermore, when consumers are part of creating the online promotional strategy, it has greater potential to resonate with the priority audience. (Thackeray et al. 2008.) The ability of social media to combine and deliver sight, sound and motion in all forms helps to create impactful, experiential and lasting feelings in the minds of customers (Keller 2009).

Social media and active participation of consumers is a good way to enhance communication and make the information look more informal and objective (Kozinets 2002). Already the online environment itself is seen more flexible and informal on a conceptual level (Syed Alwi & Da Silva 2007). This is an advantage as positive informal information may have a positive effect on consumer perceptions of a company (Karaosmanoglu & Melewar 2006). Informality and agreeableness are especially important factors in the success of online corporate brands (Syed Alwi & Da Silva 2007). Social media also encourages consumers to spread information and opinions and therefore fosters word-of-mouth to spread (Thackeray et al. 2008; Mangold & Faulds 2009). Social media channels complement other channels rather well and they can be used to enhance the versatility of the overall brand communication (Keller 2009).

The use of social media can speed up the brand building process by facilitating the creation of affect and attachment to the brand. This is because the company can receive immediate feedback from the consumers which can be examined by segments or even by individual consumers. If the company acts on the feedback and makes changes and the consumer notices this, it will increase the satisfaction of the consumer in question. (Kapferer 2008.) Companies can also gather valuable consumer insight by listening consumers on social media. Consumers are posting information and user experience stories online all the time and these postings offer companies valuable and high quality market information at low cost. (Constantinides & Fountain 2008.) Online marketing research is more unobtrusive, convenient and accessible than research done traditionally. It is also far more economical (Kozinets 2002).

The global nature of social media can be seen as an advantage especially when used for international branding. Social media is a cost-effective way for companies to do branding and build their trust and credibility (Thackeray et al. 2008; Galt 2009; Kaplan & Haenlein 2010). Informing the new online opinion leaders (such as bloggers) of new products, services or offers is an economical way to reach target markets or even specialised niche markets. Advertising on carefully selected social media sites and popular search engines can be relatively low cost communication option compared to traditional media. (Constantinides & Fountain 2008.)

Social media poses also **threats** to companies. One of them is that companies might lose control over their brands and communication if consumers are given too much freedom in the creation or usage of the content on the company website. This might lead to a situation where consumers upload even harmful content (Clauser 2001; Wunsch-Vincent & Vickery 2007). As a result there might be a loss of trust or credibility, negative effects on the image, sharing of negative information, or even illegal issues with consumers using the company website for illegal activities (Clauser 2001). Overall, on the internet it is almost impossible for companies to control discussions and conversations about themselves. The information generated by users is mostly unverified and can

be true or false. Problems arise when the information differs a lot from the information published by the company itself. (Aula 2010.)

The company or brand reputation might be quickly harmed when consumers do not see the online brand community trust-worthy, open, interesting and relevant and engaging with the audience (Palmer & Koenig-Lewis 2009). Companies create reputational risks in social media themselves too by hiding their involvement or by generating content disguised to be from an external consumer. For example, companies have created blogs that look like they have been written by consumers and appeared as consumers posting messages praising the company or its products. These activities might be initially good for the company until these acts are revealed and become harmful to the reputation. This leads to the situation that in social media companies have to be good and not just look good. (Palmer & Koenig-Lewis 2009; Aula 2010.) Because of social media everything a company does is public (Aula 2010).

Companies should realise that putting existing advertisements and press releases online is not enough but instead understand the nature of social media and commit to it (Kaplan & Haenlein 2010). Social media is not just an advertisement billboard; it is a communication channel between consumers and the brand. Accordingly, companies should not view online branding opportunities primarily as a way to save costs. The internet does enable cost-savings in many areas but with intelligent search engines consumers can easily compare different brands and prices and are able to switch brands easier. (de Chernatony & McDonald 2003.) Companies should therefore concentrate on other factors than cost savings such as the quality of online content available to consumers.

Another challenge of branding in social media is that the power shifts from distributors and manufactures to consumers. As consumers have nowadays access to a growing amount of information online with reduced search costs, they become more able to signal their discontent against companies. Consumers are becoming more cautious online (de Chernatony & McDonald 2003.) and as they define the rules of engagement, they are able to insulate themselves easily from the communication if they want to (Keller 2009).

3 METHODOLOGY

Methodology is a general approach to scientific research concerning the preferences for the large components of the research process (Teddlie & Tashakkori 2009), such as choices about the subjects to study, methods used for data gathering and forms of data analysis. In other words methodology defines how a phenomenon is studied and researched. (Silverman 2001.) Research methods in turn are specific strategies and research techniques used in conducting the research (Teddlie & Tashakkori 2009; Silverman 2001). Research methodologies or methods are not true or false, they are only more or less useful depending on the theories and research questions (Silverman 2001). In this chapter the overall empirical research process is presented and discussed.

3.1 Research approach

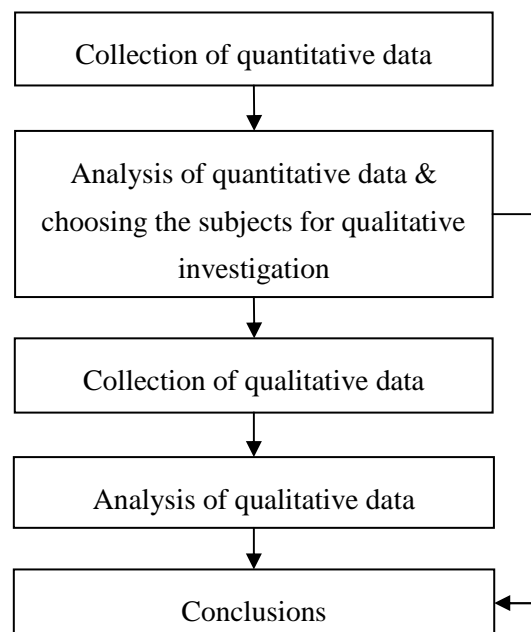
Research approach means the chosen methodological approach to conduct a research. There has been a debate for a long time about the differences between quantitative and qualitative research approaches and for what kind of research they are suitable for (Bryman 1992; Hirsjärvi, Remes & Sajavaara 2004). The two research approaches are often described as opposing approaches to each other (Eriksson & Kovalainen 2008). The quantitative approach incorporates methods that may simply be defined as the techniques associated with collection, analysis, interpretation, and presentation of numerical data whereas the qualitative approach employs methods that concentrate on narrative information (Teddlie & Tashakkori 2009). Creswell (2009) adds that a more complete way to compare the two research approaches is to assess also the basic philosophical assumptions and types of the overall research strategies used. But rather than seeing the two approaches as contradicting or competing approaches, they can also be seen as complementary to each other (Hirsjärvi et al. 2004) and one research can combine the two approaches (Creswell 2009; Yin 2009). Combining the two approaches is especially attractive because of the distinctive characteristics of each approach (Bryman 1992).

A research approach that combines both quantitative and qualitative methods in one research is called a mixed methods research. Also other names such as multiple methods or integrative research exist. (Creswell 2009.) The research tradition of mixing methods has developed during the last 20 years and is therefore less established than qualitative and quantitative research traditions. The research approach of mixing methods advocates the use of whatever methodological tools needed to answer the research questions under study and is often guided by pragmatic philosophical assumptions. (Creswell 2009; Teddlie & Tashakkori 2009). Yin (2003) even argues that rather than concentrating on the differences between quantitative and qualitative research ap-

proaches, the researcher should concentrate on the type of data. This defines how the data should be handled and interpreted. Both types of data can produce data driven, outcome-oriented, and truly scientific research. (Yin 2003.) It is not to be forgotten that although mixed methods research is seen as pragmatic approach, it is guided by the researcher questions which are answered both in narrative and numerical forms (Teddlie & Tashakkori 2009).

In this study the approach of mixing methods was chosen because the aim of this research is to examine a rather new phenomenon and the collection of diverse type of data was seen to best provide a holistic understanding (Creswell 2009). A mixed methods research occurs either in parallel or in sequential mixed designs (Teddlie & Tashakkori 2009). The sequential design of this research is illustrated in Figure 6.

Figure 6 Illustration of the sequential design of this research



The qualitative part is given greater importance and weight in the research over the quantitative part (Brannen 1992; Creswell 2009). The quantitative part is used to facilitate the qualitative part of the research by helping with the choice of subjects which are then further examined with qualitative methods (Brannen 1992; Bryman 1992). In addition, the quantitative method is used to gather background data in which the intensive qualitative research can be contextualised (Brannen 1992).

The approach of mixing methods was favoured because of the many advantages it offers compared to a single approach research. Firstly, a research conducted with mixed methods can enable the researcher to address more complex research questions. It also allows the researcher to collect a richer and stronger array of data compared to the data collected by using only single method. (Yin 2009.) Therefore, a mixed methods research provides stronger inferences than single approach designs (Teddlie & Tashakkori

2009). It also forces the researcher to confront the different theoretical perspectives and the relationship between the data sets collected with different methods (Brannen 1992). Mixing methods is also a means to create method triangulation (Creswell 2009) which means using multiple methods to study a single problem. It is recognised as one way of increasing the trustworthiness of a research. For example, a research studying a new phenomenon like this research can triangulate data that has been collected through survey and case study methods in order to provide a better understanding of the phenomenon. (Teddlie & Tashakkori 2009.)

The mixed methods research also provides the possibility for a wider array of different views (Teddlie & Tashakkori 2009). Using mixed methods can help the researcher to study a phenomenon both in micro and macro levels as quantitative research can provide clarification to larger scale structural features of life and qualitative research can enlighten the small-scale behavioural aspects (Bryman 1992). The use of both quantitative and qualitative methods might also secure the access easier than using just one or the other method (Bryman 1992). In this research it was important to conduct a quantitative survey to provide information on the width of social media usage amongst Finnish design-intensive SMEs and to examine whether the phenomenon exists at all. In addition, the survey was used to facilitate with the choice of case companies and getting access to them. The qualitative part is used to provide scope and depth on how the case companies incorporate social media into international branding.

A clear disadvantage of mixed method research is that it is more difficult to conduct than research relying on only one approach (Yin 2009). The researcher needs to be familiar with both quantitative and qualitative research approaches (Creswell 2009) and it is rare that a researcher is equally competent in the methods of both approaches. Researchers are often naturally more talented or interested in the other approach and training is not always available. (Brannen 1992.) This was not seen as such a large problem in this research because the author has an equal amount of experience from both approaches. But as the author does feel a bit more naturally competent and interested in the qualitative approach, it is given more weight.

Another challenge with a mixed methods research is that it requires extensive data collection and analysing both text and numeric data is time-intensive (Creswell 2009). Silverman (2000) also notes that relying on multiple methods on revealing a holistic picture of a phenomenon can easily lead to poor research based on under-analysed data and imprecise research problems. Therefore, it should be remembered that research question should impose which method(s) to employ (Bryman 1992). In planning this research, the time and resources needed were thought out carefully. In order to ensure proper data analysis, it was carried out in phases by first analysing the quantitative part and then the qualitative part. After analysing the parts alone, the results were analysed

in combination. Research questions themselves are based on the literature review and the questions guided the researcher to use mixed methods.

3.2 Research strategy

Before conducting any empirical research a literature review was conducted in order to find research gaps and form sharper and meaningful research questions of the topic (Yin 2009). This led the researcher to examine the use of social media in international branding in Finnish design-intensive SMEs. Based on the objective a research strategy of applying the case study method was chosen. The research strategy itself refers to the entity of methodological solutions of a research and it tells us how a certain research question is studied. Common research strategies are for example experimental research, surveys and case studies. (Hirsjärvi et al. 2004.)

Case studies are a research strategy in which the researcher explores in depth a program, event, activity, process, or one or more individuals (Creswell 2009). Yin (2009, 18) adds that in case study research a contemporary phenomenon is investigated

“... within its real-life context, especially when the boundaries between phenomenal and context are not clearly evident.”

Case studies are sometimes thought of as a method belonging to the qualitative research approach but they can combine both quantitative and qualitative research methods (Creswell 2007; for reference Yin 2009) and are compatible with many data sources (Swanborn 2010). Therefore, case study research fits well to the mixed method approach of this research.

A case study as a research strategy was chosen because it allows the researcher to retain the holistic and meaningful characteristics of real-life events such as organisational and managerial processes and international relations. This was seen important as the aim of this study is to study exactly the organisational and managerial processes of design-intensive SMEs in an international context. Another reason for preferring the case study method was the objective of this research to understand a real-life phenomenon in depth. A case study is also the preferable choice for researches examining contemporary events when the researcher cannot control or manipulate the relevant behaviours which was the case in this research. Moreover, as the objective of this research was to examine a new phenomenon and no clear, single set of outcomes could be expected, the case study was seen appropriate to enlighten the situation. (Yin 2009.)

The opponents of the case study method see case studies as time-consuming projects that result in massive and unreadable documents. This might be a problem in some case

studies, but Yin (2009) argues that case studies can be conducted in sensible time and the case reports do not have to be lengthy. Because only four case companies are studied in depth in this research, the length of the report should stay sensible.

The ability of the case study method to provide a basis for generalisation is often questioned as some opponents of the case study method see a single case study insufficient. But Yin (2009) notes that a case does not represent a sample and the results therefore cannot be generalised to populations or universes, but instead the aim is to generalise and expand theories. But there is a problem with generalising results from case studies to theory because the results are tied to the context and by changing the context or certain variable many other variables might change simultaneously. Therefore, results obtained with case studies need further testing. (Swanborn 2010.) The problem of generalisation is not a critical factor in this research because the main objective is to explore and describe a real life phenomenon and not to create generalisations. Yin (2009) admits that a case study is not suitable for establishing a causal relationship but neither is this the aim of this research.

Case studies can be conducted as single-case studies where only one case is studied or as multiple-case studies where the research is based on several cases (Swanborn 2010). A multiple-case design was chosen over a single-case design as it offers substantial analytic benefits. The conclusions drawn from multiple cases will be more powerful than those that arise from a single case. (Yin 2009.) As Swanborn (2010, 46) notes:

“... a multiple-case design is considered to be a series of replications of measurement of the same phenomenon under different, but hopefully irrelevant, conditions. The idea is that the more cases one studies, the better the chances to separate the general from the specific features of a case.”

Multiple case studies also offer more independent information for the researcher (Swanborn 2010). Whereas a disadvantage of multiple case studies is that they might require extensive resources and time (Yin 2009).

3.3 Data collection

The data of this research was gathered in two phases. In the first data collection phase an e-mail questionnaire was sent to a group of Finnish design-intensive companies. Then based on the results of the questionnaire four case companies were chosen. After choosing the cases, theme interviews were conducted in the four case companies.

These two different methods, a questionnaire and interviews, were chosen because their strengths complement each other. On the one hand, the questionnaire allowed collecting a large number of responses inexpensively in order to explore the overall use of social media in design-intensive SMEs. On the other hand, the interviews enabled the collection of in-depth information on the four case companies. (Teddlie & Tashakkori 2009.) These two methods and selection of cases are discussed in more detail in the following three subchapters. Additionally, the researcher utilised secondary sources, such as company websites, to familiarise with the case companies before the interviews and to reinforce the interview data. Overall, secondary sources played a minor role in the data collection and data analysis.

3.3.1 *E-mail questionnaire*

The aim of the first data collection phase was to collect background data and a list of eligible case companies for further investigation and hence, a cross-sectional survey was seen the most suitable for this purpose (Brannen 1992; Creswell 2009). The survey was conducted as an e-mail questionnaire. This method was chosen because it is quick and inexpensive as the questionnaire can be e-mailed to the respondents (Creswell 2009; Teddlie & Tashakkori 2009). Questionnaires also enable effective data collection. The e-mail questionnaire was developed and planned with care so that the data could be quickly transformed into an analysable form. (Hirsjärvi et al. 2004.) An e-mail survey was also a convenient solution (Creswell 2009) because the researcher had a program designed for internet questionnaires, Webropol, at her disposal free of charge. It was possible to reach and check the answers anytime and there were no financial costs to the researcher. The handling and technical functioning of the questionnaire was examined before sending it to the respondents.

The problem with questionnaires is that the researcher cannot be sure how seriously the respondents have answered the questions. It is not always clear either how well-defined the questions and answer options were from the respondent's point of view. The researcher cannot control either how well informed the respondents are concerning the topic of the questionnaire. Another disadvantage is that questionnaires must be kept short and therefore they might be missing information. Furthermore, the planning and creation of a good questionnaire requires a lot of time and skills. A typical threat is that the response rate might stay low. This leads to the fact that the researcher must do an extensive follow-up consisting of reminders and re-mailings to non-respondents. (Hirsjärvi et al. 2004; Teddlie & Tashakkori 2009.) In order to overcome these problems a lot of thought was put to the layout and structure, forming and word order of sentences, and readability of the questionnaire. The questionnaire was intentionally made short to keep

the questionnaire light and attractive to answer. In the cover letter the researcher asked the receiver to pass the questionnaire on to a more informative person if the receiver did not feel well enough informed of the topic. To further encourage the respondents to answer the researcher offered a small incentive for each response.

The e-mail questionnaire was sent to 139 Finnish design-intensive companies. The companies were listed on the website of Design Forum Finland. Design Forum Finland is an organisation promoting Finnish design and is maintained by the Finnish Society of Crafts and Design (Design Forum Finland 2011). The original list was a compilation of 181 organisations and was selected because it suited the purposes of this research. It does not include all design-intensive companies of Finland, but it represents the companies of the industry well. The list has also been used before in researches concentrating on Finnish design-intensive companies (e.g. Falay et al. 2007). The selected list did not include any contact information of the organisations, and therefore, the researcher had to find them herself. The researcher collected the e-mail addresses for the companies mostly from the websites of the companies or from company data lists available online. Some of the organisations were deleted because they could not be identified, or they were not of Finnish origin, or a working e-mail address simply could not be found. The list had also some double entries and included organisation that do not represent the pure business world (such as schools and non-profit organisations).

After collecting the e-mail addresses and eliminating the unsuitable organisation discussed above, the questionnaire was finally sent to 139 companies on the 17th of March 2011. From these 139 addresses two e-mail addresses did not work and the questionnaire could not be delivered. In order to motivate the companies to answer the questionnaire the researcher promised to deliver a summary of the main findings to those companies who would answer the questionnaire. A reminder e-mail was sent on 28th of March 2011 when a total of 24 companies had answered the questionnaire. The reminder gave the companies five more days to fill the questionnaire before it was finally closed on 1st of April 2011. A total of 49 companies answered the questionnaire giving the survey a response rate of 36 per cent (n=137). All e-mails and the questionnaire itself were written in Finnish as the target was to study Finnish companies and the questionnaire was meant to be as easy as possible to answer and understand. An English version of the questionnaire can be found in Appendix 3.

The questionnaire consisted mostly of multiple choice questions combined with a few open questions. The allocation and purpose of the questions can be seen in Table 1.

Table 1 Allocation of questions in the questionnaire

Questions	Respondents	Purpose of the question
1-5	All companies	Background information on companies
6	All companies	Background information on companies; divide companies to exporters and to non-exporters
7	Non-exporters	Inquire future plans
8-10	Exporters	More information on exporting activities
11-15	Exporters	Information on marketing activities and the use of social media

Some scales of the multiple choice questions (for example in questions 6, 9 and 14 in the Appendix 3) were intentionally denser from the lower end as most of the companies were expected to belong to those groups. Having the whole scale with the same accuracy would have made the questionnaire lengthier and harder to visualise.

3.3.2 Selection of cases

The logic behind the selection of cases should be replication. The cases should be selected carefully so that they either predict similar results (a literal replication) or predict contrasting results but for anticipatable reasons (a theoretical replication). (Yin 2009.) The researcher should also seek cases that are informative or in other words cases that are expected to represent the phenomenon under study quite clearly (Swanborn 2010). The selection of cases can also be based on pragmatic grounds where cases are selected by a certain simple objective criterion. Random sampling on the other hand is not suitable for case studies as 'sample-to-population logic' is not applicable for case studies. Random selection would require a sampling frame for all units in the domain which often does not exist. However, random selection can be used as an additional method for choosing cases after creating a list of eligible cases on other grounds. (Swanborn 2010.)

Following these guidelines, a total of four companies were selected as case companies from the 49 questionnaire respondents. The selection process was conducted in stages. First the researcher identified all companies for whom exporting accounts for over 10 per cent of the total turnover. Companies with lower export rates seemed not internationalised enough. The second step was an identification of companies who actually use social media for marketing purposes. As it has been suggested that social media could be especially suitable for business-to-consumer marketing, the companies that targeted only companies in their marketing were eliminated. Then the researcher chose

all companies that manufacture products which can be worn, such as accessories, clothing, shoes or jewellery. A smaller group inside the design industry was chosen in order to enhance the comparability between the cases. This group included six companies and was chosen because it was the largest group. Other remaining groups were textile, kitchenware and interior decor. The researcher requested all remaining companies to take part in the research. Two companies did not answer the request while the remaining four companies agreed to take part in the research. Table 2 presents the case companies.

Table 2 Case companies

Company	Branch of industry	Employees	Exporting rate
Chao & Eero Jewel	Jewellery	2	26-50%
Costo	Accessories	3	16-20%
Outo Wear & Gear	Clothing and shoes	1	11-15%
St. Vacant Footwear	Clothing and shoes	1	21-25%

The case companies are presented in more detail in Chapter 4 where the main empirical findings are reported.

3.3.3 *Theme interviews*

The empirical qualitative data was collected with four theme interviews in the case companies. Qualitative interviews were chosen as the data collection method because they permit the researcher to collect in-depth information flexibly (Creswell 2009; Teddlie & Tashakkori 2009). Interviews are a good instrument when the aim is to study an unknown area and when it is hard for the researcher to know the direction of the answers beforehand. They are also suitable when it is expected that research problem will have multiple and complex answers. (Hirsjärvi et al. 2004.) This was indeed the case in this research as social media is a rather new phenomenon and research on how SMEs use it is lacking. Interviews allow the researcher to control the interview (Creswell 2009) as the researcher can change the order of themes or questions and ask for clarification if needed (Hirsjärvi et al. 2004).

The problem of interviews is that information is filtered through the views of the interviewee and the quality of data might vary as people are different and not equally articulate and perceptive (Creswell 2009). Furthermore, the presence of the researcher might affect the responses (Creswell 2009; Teddlie & Tashakkori 2009). From the practical point of view in-person interviews are expensive and time-consuming. Especially

the analysis of open ended interviews might be time-consuming. (Hirsjärvi et al. 2004; Teddlie & Tashakkori 2009.) Interviews are always organised events in designed places and therefore, they do not provide information in the natural field setting (Creswell 2009). But despite these disadvantages interviews were seen as the most suitable way to collect data as the case companies could not be directly observed.

The interviews were conducted as theme interviews. It includes that the themes are known beforehand, but the exact form and order of questions is unknown or loose. The researcher can also change the order of the themes. (Hirsjärvi et al. 2004.) Theme interviews were favoured for their flexibility. On the one hand, the researcher could modify some questions during the interview or ask for elaboration on certain topics when needed. On the other hand, the interviewees could ask the researcher to repeat or clarify a question if needed. The themes of the interviews were sent to the interviewees approximately one week before the interview took place to give interviewees time to prepare themselves. All interviews were recorded with the permission of the interviewees in order to facilitate the data analysis. The researcher took notes too, in case that recording equipment would have failed.

One interview was conducted as face-to-face interview whereas other three were Skype-interviews. Skype was chosen as the researcher did not have resources to travel around Finland, yet alone to Australia where one of the respondents was at the time of interviewing. Skype was also convenient as it allows easy recording of the calls and the recordings are automatically saved in electronic form to the computer. Information of the interviewees and the interviews themselves is presented in Table 3 on the next page.

Table 3 Interview information

Company	Interviewee	Position	Date	Interview type	Duration
Chao & Ero Jewel	Eero Hintsanen	Owner-manager	17/05/2011	Skype with video	30 minutes
Costo	Anders Bengs	Owner-manager	20/05/2011	Face-to-face interview	35 minutes
Outo Wear & Gear	Ville Lahtinen	Owner-manager	16/05/2011	Skype without video	47 minutes
St. Vacant Footwear	Janne Lax	Owner-manager	06/06/2011	Skype without video	35 minutes

The choice of interviewees was rather easy and straightforward as the case companies were small (1-3 employees). The interviewees were in charge of activities related to social media. All interviews were carried out without any interruptions. The outline of

the interview questions in English is presented in Appendix 4. It served as a flexible frame for the interviews. The order of the questions varied in interviews in order to keep a natural and relaxed atmosphere during the interview. In addition to the question in the outline additional questions were asked when needed. In the end of each interview the researcher asked for permission to contact the interviewees by e-mail for further questions.

3.4 Data analysis

The data analyses of quantitative and qualitative data differ from each other. The analysis of quantitative data is normally separate from the data collection whereas the analysis of qualitative data occurs often concurrently with the data collection. As this research was a sequential mixed methods research, the data analysis was conducted in two phases in a chronological order. (Teddlie & Tashakkori 2009.)

First, the data gathered with the e-mail questionnaire was analysed. The quantitative data was analysed with descriptive statistical methods that aimed at summarising the data into easily interpretable tables and figures (Teddlie & Tashakkori 2009) by counting average values, frequencies and percentage shares. This was seen sufficient taking the two goals of the questionnaire into account. The first goal was to explore whether Finnish design-intensive companies use social media for international marketing purposes. The second goal was to find a suitable set of companies for further investigation. The use of extensive and in-depth statistical methods would have been useless because the goal was not to create any causal theories. The sample was also rather small and drawing too deep conclusions could be misleading.

The data was in electronic form and could be directly exported to Excel. Also the program used in the data collection, Webropol, had already organised the data and formed an additional questionnaire report. The researcher used the report as a preliminary analysis tool and did further analysis on Excel. It was seen as a suitable tool to analyse the mostly quantitative data because the size of the data was not too extensive.

After writing a report of the questionnaire, the data was analysed to find suitable cases for further investigation. The selection of cases is already presented in an earlier Chapter 3.3.2.

Then, the qualitative data gathered with interviews was analysed case by case. The qualitative part had a greater weighing in this research and therefore the analysis of qualitative data was greater and more time-consuming than the analysis of the quantitative data. Analysing qualitative data is an ongoing process that is carried out concurrently with data collection, making interpretations, and writing reports. It involves con-

tinual reflection over the data, asking analytic questions and writing research notes. (Creswell 2009.) The main data analysis was done in stages after the interviews.

First, all theme interviews were transcribed fully into separate text documents in order to facilitate the analysis. Then the text transcriptions were checked in case the researcher had done mistakes or left anything out during the transcription process. This was done to avoid missing or false information. The transcriptions were read through several times and organised according to themes (Hirsjärvi et al. 2004.) Themes were partly emergent and partly a priori chosen themes. Emergent themes rose from the data whereas a priori chosen themes are based on the theory. (Teddlie & Tashakkori 2009.) The organisation of data into segments of text is also called coding (Creswell 2009).

After transcribing and organising the data, the cases were analysed separately according to themes. The theoretical propositions and the research objectives guided the analysis. Relying on theory helps to organise the entire case study and ignore unrelated data (Yin 2003). The researcher also used a pattern-matching technique in analysing the data. In pattern-matching the patterns based on empirical findings are compared with the patterns that theory and earlier research predict (Yin 2003). Individual case descriptions were written during this stage. The information from the questionnaire and company websites were utilised in creating the case descriptions in addition to the main information gathered with interviews.

After analysing all the cases individually, the researcher conducted a cross-case synthesis of the findings (Yin 2003; Swanborn 2010). In cross-case synthesis the individual cases are treated as separate studies and compared to each other. This study utilised the technique of create a common word table that displays the main findings from individual cases. (Yin 2003.) The aim of cross-case synthesis was to facilitate finding similarities and differences between cases.

Table 4 presents the operationalisation of the research objective into sub-objectives, themes and interview questions. The operationalisation chart was made to help the analysis of the data and to make sure that all parts of the research objective were covered.

Table 4 Operationalisation of the objective of the study

Objective of the study	Sub-objectives	Themes	Related interview questions
Examination of the use of social media in international brand communication of small Finnish design-intensive companies?	Examination of branding strategies of small Finnish design-intensive companies	Brand structure	1-2
		Branding approach	3-4, 7
		Standardisation of core essence	5-6
	Examination of international brand communication of small Finnish design-intensive companies	Channels	9-10
		Standardisation of communication	11-14
		Challenges in international brand communication	15
	Examination of how social media is used in international brand communication of small Finnish design-intensive companies	Channels used in social media	16
		Purpose of using social media	17-19
		Importance of social media	20
		Planning	21
		Follow-up	22
		Integration with other channels	23
		Communication with consumers	24
		Advantages	25
	Challenges	26	

3.5 Trustworthiness

All research aims at conducting trustworthy results but the reliability and validity tend to vary. Therefore, one needs to evaluate the trustworthiness of the conducted research. There are many models and guidelines how to evaluate the trustworthiness of a re-

search. (Hirsjärvi et al. 2004.) Quantitative and qualitative approaches have their own distinctive evaluation criteria and lately writers have started to develop criteria specifically for evaluating the trustworthiness of mixed methods research. But as the guidelines for mixed methods research are only starting to emerge, the researcher follows the advice from Creswell (2009, 220) and considers the trustworthiness issues of the quantitative and qualitative part separately by taking into account the possible effects that occur from mixing methods. (Creswell 2009.)

3.5.1 Validity, reliability and generalisability of the questionnaire

Trustworthiness of a quantitative research is often evaluated through the terms of validity, reliability and generalisability (Hirsjärvi et al. 2004; Creswell 2009). Validity refers to the ability of the instrument to measure exactly what it is supposed to measure. Sometimes instruments and methods do not meet the reality. For example, the respondents of a questionnaire might understand the questions differently than what the researcher had thought. If the researcher still handles the results based on his or her own understanding, the instrument causes error and the results cannot be taken as valid. (Hirsjärvi et al. 2004.) The researcher tried to avoid this by making the questionnaire and the questions as unambiguous as possible. Also the choice of words and their order was deliberated properly. For example, the researcher did not use the term social media in the actual questionnaire because it could have caused confusion as the term is rather new and not well defined. Instead the researcher asked whether the respondents use the most common social media applications and gave examples of these. The questionnaire was written in Finnish in order to enhance the clarity. It is still possible that some respondents have understood some of the questions differently than the researcher. The researcher cannot be sure how well informed the respondents were but as the questions were rather general by nature the researcher does not see this as a major issue lowering the validity. It was possible to enter only one response from each e-mail address which prevented double entries.

Reliability means how well the measurement results can be replicated. In other words it measures the repeatability of the results and the ability of the research to produce consistent results. (Hirsjärvi et al. 2004.) The response rate of 36 per cent can be regarded as adequate and positive on what comes to the reliability. The size of the sample on the other hand was rather small and it can be seen as reducing the reliability. Also the use of an e-mail questionnaire might have favoured those companies who are active users of internet and social media. The results might have been different if the questionnaire had been sent in post for example. But as one of the aims of the questionnaire was to collect

an eligible list of companies that actually use social media, using e-mail can be seen as a positive factor.

Generalisability (or external validity) means how well the results can be applied to new settings, samples or people (Creswell 2009). The results gathered with the questionnaire are generalisable with caution to other Finnish design-intensive SMEs. Generalisations that are more extensive are not advised. In addition, the results are heavily time-bound (Creswell 2009) so they cannot be generalised to past or future moments. The phenomenon of social media is growing fast and the results obtained with the questionnaire might 'expire' rather quickly.

The answers from individual respondents have been available only for the researcher and the answers were handled with confidence. No one else has had access to the answers except the researcher. This has a slight positive effect concerning the trustworthiness of the questionnaire, but a major positive effect on the ethicalness of the research.

3.5.2 *Trustworthiness of the qualitative part*

The trustworthiness of the qualitative part is evaluated using the criteria developed by Lincoln and Guba (1985). According to them qualitative research can be regarded as trustworthy when credibility, transferability, dependability and confirmability are established.

The results or findings of a research are credible when the constructions of the researcher actually match the real life constructs. Credibility can be enhanced with several means such as prolonged engagement, triangulation techniques and member checking. (Lincoln & Guba 1985.) Prolonged engagement means spending sufficient amount of time to learn culture, the context and the phenomenon under study (Lincoln & Guba 1985). The researcher had done her bachelor's thesis about incorporating social media into branding and was rather familiar with the notion of social media. The design industry on the other hand was more unknown to the researcher. But in the beginning and in the course of this research, the researcher read and studied the industry as much as possible to become acquainted with the industry. A mixed methods research approach, in turn, strived for triangulation and for rich array of data. Also case studies are strengthened by the use of multiple data sources (Yin 2003). But according to (Lincoln & Guba 1985) member checking is the most crucial means to establish credibility. Member checking means that the accuracy of findings, interpretations and conclusions is checked from the providers of the information or from other members of the society in question (Teddlie & Tashakkori 2009). This can happen during data collection or after writing the findings (Lincoln & Guba 1985). The researcher performed member checking during the interviews by asking for clarifications when answers were unclear or ambiguous.

Transferability means whether the results from the specific context can be transferred to another context. Transferability can be enhanced by providing a thick description with the widest possible range of information on the setting and context of the research. The aim of this is to enable other researchers to make comparisons with other research results from other contexts. (Lincoln & Guba 1985; Teddlie & Tashakkori 2009.) The researcher should specify the societal place or position of the data, how it is produced and what the terms of the production are (Mäkelä 1990). Following this advice the researcher tried to describe the context of the study as well as possible. The fact that the case companies are identified and presented extends the transferability of the results.

Dependability refers to the interdependency of the results and the research itself. The researcher needs to offer enough information about the research process. The process itself needs to be logical and well documented. (Lincoln & Guba 1985.) Mäkelä (1990) advises that the researcher explains the categorisation and interpretation rules in such an unambiguous matter that another researcher can apply them and come to the same conclusions. The researcher paid special attention to documenting the research process from the beginning to the end in detail. Another way to establish dependability is to conduct an inquiry audit in which another researcher who was not involved in the research process checks the consistency between the research process and the results and if the data supports the results (Lincoln & Guba 1985). Full inquiry audit was not performed after writing the results, but the process and methodological choices were presented for comments in a thesis group led by an experienced professor.

Confirmability refers to the objectivity and neutrality of data and whether there is researcher bias (Lincoln & Guba 1985; Teddlie & Tashakkori 2009). Confirmability means also if other researchers could come to the same conclusions using the same data or in other words confirm the results (Lincoln & Guba 1985). The researcher had no previous contact or link to the case companies and had no reason for any bias results. The researcher pursued objective data analysis at all times.

It is necessary to remember that due to the nature of qualitative research, the criteria of trustworthiness can never be satisfied to an extent where the trustworthiness of the research could be undisputable (Lincoln & Guba 1985). In the end it is the task of the reader to assess the trustworthiness of a research. In this research the researcher has aimed at giving the reader as much information on the research process as possible so that the reader is able to conduct his or her evaluation of the trustworthiness.

4 RESULTS OF THE QUESTIONNAIRE

4.1 Description of the survey respondents

A total of 49 Finnish design-intensive companies answered the research questionnaire. Out of these companies 48 were small size enterprises measured by the number of employees. One company had not answered the question. Table 5 below presents the detailed distribution of companies in each size category. The size categories are the same as Statistics Finland uses (Statistics Finland 2009).

Table 5 Size distribution of the respondent companies

Number of employees	Number of companies
0-4	40
5-9	6
10-19	1
20-49	1
No answer	1

The companies operated in diverse areas of design covering for example textiles, clothing, furniture, jewellery and cooking utensils industries. The biggest groups were jewellery (ten companies), clothing, shoes and accessories as one group (nine companies), and textiles (seven companies). The age distribution of the companies was rather wide and illustrated in Table 6.

Table 6 Age distribution of the respondent companies

Age of the company in 2011	Number of companies
1-5 years	14
6-10 year	18
11-15	6
More than 15 years	9
Unclear answer	2

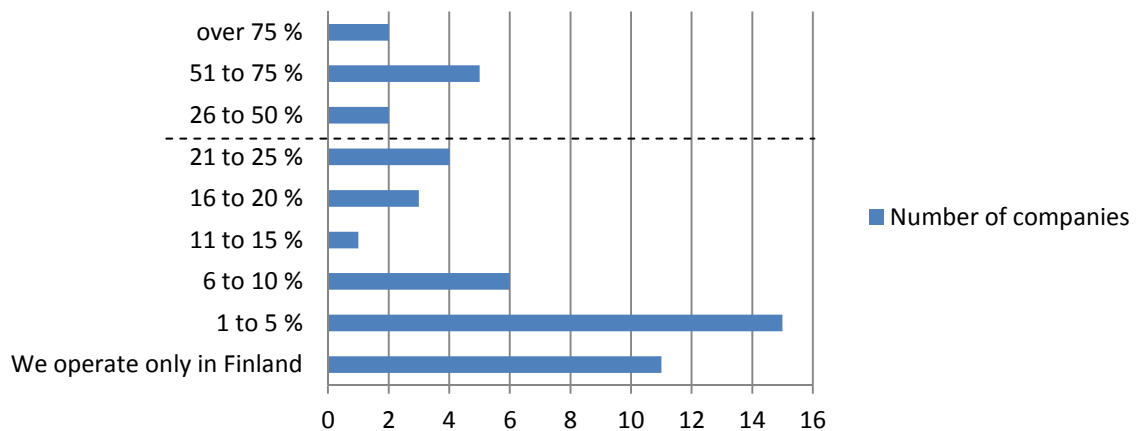
About two thirds (68 per cent) of the companies have been existing for 10 years or less in 2011. Two companies gave an unclear answer and they were not taken into account when counting the percentages.

4.2 Exports of Finnish design-intensive companies

All in all 78 per cent (38 companies) of the respondents had already exporting activities. 11 companies operated only in Finland but six of them had plans to start exporting during the next five years. Only five companies did not have plans to start exporting in the near future. On average the exporting activities had started three years after the founding of the company (four unclear answers concerning the starting year of export activities were left out when calculating the average). Nine companies had started exporting their products already in the first year and seven companies during the second year. Overall, 53 (20 companies) per cent of the respondent companies had started exporting within three years of from their founding.

Figure 7 illustrates the exports' share of the total turnover in the respondent companies. Note, the categories are of different size in the figure and the dash line indicates where the size of the categories changes. This is done to provide more detailed information of the lower categories where most of the entries belong to and to eliminate empty categories on the upper end.

Figure 7 The share of the exports in the turnover

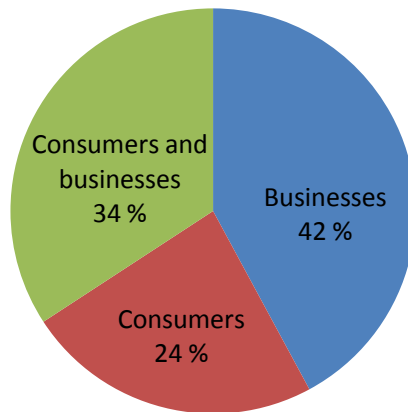


Although the majority of the respondent companies had exporting activities, only seven of them were already strong exporters for whom exports accounted over 50 per cent of the total turnover. For most of the respondents, Finland still remains as the most important market in terms of turnover as exports account for only a moderate share of the turnover. For 76 per cent of the companies that had exporting activities, exports accounted for only 1 to 25 per cent of the total turnover and 39 per cent of the exporters received only 1 to 5 per cent of the turnover from exports.

4.3 International marketing and use of social media in Finnish design-intensive companies

Out of the companies with exporting activities, 42 per cent (16) aimed their international marketing on other businesses. In other words they were concentrating on business-to-business marketing. About one third (13) targeted both consumers and businesses in their international marketing. A minority of 24 per cent (9) aimed their international marketing only on consumers. Figure 8 demonstrates the targeting of international marketing in the respondent companies.

Figure 8 Target of international marketing activities

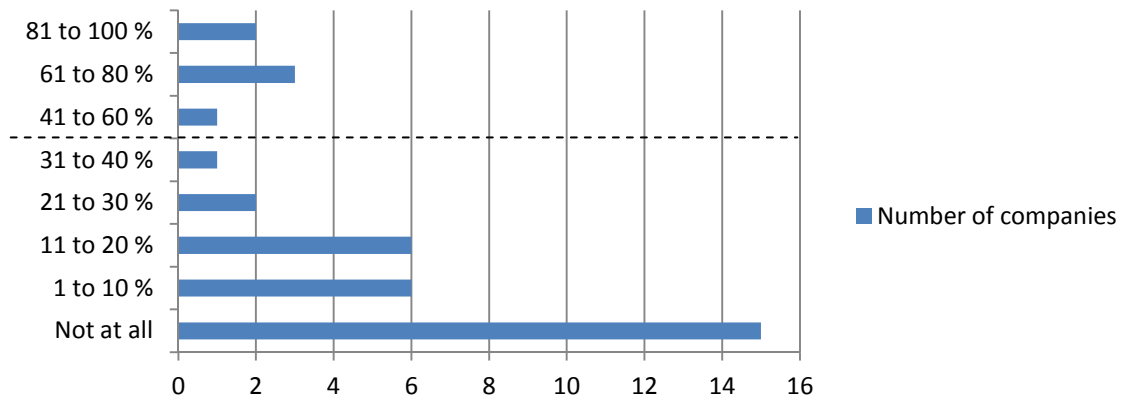


Social media had already gained a place in international marketing as 21 companies out of the 38 companies with exporting activities were already using at least one channel of social media (two had not answered). The most used type of social media channels were online communities such as Facebook. They were used in international marketing by 17 companies. The second most popular form of social media was blogs which were used by 10 respondents. Videosharing services such as Youtube were the third most popular form of social media. 12 companies used two or more types of social media in their international marketing.

As social media is largely a free channel it was more interesting to inquire the time companies use on social media marketing than money invested on it. On average the companies who used social media spent 2,8 hours per week on social media marketing including the planning. 12 of them used only two hours or less per week. Five companies used five hours or more per week. Therefore, it can be argued that on average the efforts in social media marketing were still rather small in most of the companies. However, for a small number of companies social media was already an important marketing channel when looking at social media's share of all marketing activities measured by

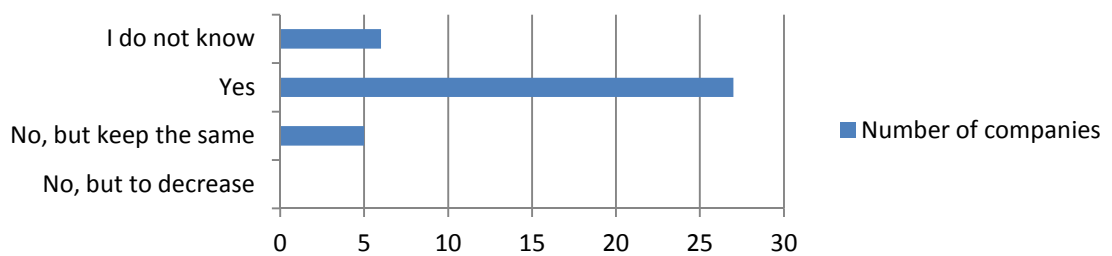
the time invested as Figure 9 illustrates. Note that the categories are of different size in the figure and the dash line indicates where the size of the categories changes. This is done to provide more detailed information the lower categories where most of the entries belong and to eliminate empty categories on the upper end.

Figure 9 The share of social media related to all marketing activities in terms of time used



Although the usage of social media in international marketing is still rather limited in Finnish design-intensive companies it can be expected to grow as 71 per cent (27) of the exporting companies were planning to increase their marketing efforts in social media during the next 12 months and none of the companies had plans to decrease the use of social media in marketing. The future plans of social media usage are illustrated in Figure 10.

Figure 10 Plans to increase the use of social media in marketing



Out of the 15 companies who did not use social media at the time of the questionnaire nine had plans to start, four did not know and two companies did not have plans to start using it. Interestingly, those companies who chose the option ‘I do not know’ were either not using social media in marketing or used it only moderately (1 to 10 per cent of time used for all marketing activities). On the contrary all of those companies to whom social media can be seen as an important marketing channel (social media accounts for at least 61 per cent of the time used for all marketing) plan to further increase

the use of social media in marketing. In addition, one company who was already using social media gave additional information of plans to hire a person to concentrate solely on social media marketing. Another company who was not using social media yet had plans to launch new products using social media as the main marketing channel. Based on future plans concerning social media it can be stated that Finnish design-intensive companies see social media as a potential marketing channel.

5 THE USE OF SOCIAL MEDIA IN INTERNATIONAL BRAND COMMUNICATION IN CASE COMPANIES

The results of the second part of this study are presented in this chapter. First, the results of each case are presented separately. Then the results of a cross-case analysis are discussed.

5.1 Chao & Eero Jewel

Chao & Eero Jewel is a Finnish design-intensive company producing jewellery. The company was established in 2005 by a husband and wife team, Eero Hintsanen and Chao-Hsien Kuo. They both are Master Goldsmiths with background in design education. Before founding the company, the entrepreneurs had already worked as goldsmiths. The couple wanted to do their own collections and so the idea for Chao & Eero Jewel was born. According to Hintsanen, the company aims to create high quality, beautiful and durable products that touch people. Chao & Eero Jewel employs only the entrepreneur couple. They design and make the products themselves in Finland.

Straight from the beginning the company has targeted international markets. The focus has been especially in Asian markets. Moreover, Chao & Eero Jewel has concentrated on bigger cities and urban areas with western culture such as Hongkong. Going international was natural for the couple because they have been living abroad in many countries and have contacts around the world. In 2011, the company had eight distributors worldwide. In addition, the company has direct sales to several countries and on the whole Chao & Eero Jewel products were exported to 30-40 countries. In total exports accounted for 26-50 per cent of the turnover in 2011.

The (end) customers of the company are rather similar across markets. They are mostly highly educated, well off and often work within creative industries. In addition, one clear customer group is Finland fans around the world. Chao & Eero Jewel products are sold through retailers and online shops but customers can order products directly from the company too.

International branding strategy of Chao & Eero Jewel

The brand structure of Chao & Eero Jewel is simple. The company has only one corporate brand that represents the business and products. Product lines have their individual names and stories but the company has not developed brands for them. The brand development has been a conscious choice and an ongoing process. For example, the entrepreneurs have refined the visual look of the brand and were planning to improve it fur-

ther in 2011. The brand is strongly created around the entrepreneur couple and it is therefore a sort of person brand.

“The core [of the brand] is – us two. So this is a person brand and other values in a way grow around us. – The brand is our story which we really have.” (Hintsanen 2011)

The story of two people from very different backgrounds settling up in Lahti and creating unique jewellery together serves as a foundation for the brand. Because the story is a genuine and real, the entrepreneurs find it easy to build the brand around it. It also facilitates the brand communication because the entrepreneurs do not have to make up anything but instead just rely on their own life. According to Hintsanen the consumers sense that the story is authentic and react positively to it. It works around the world and thus, there has been no need to adapt the core essence of the brand. The brand is guided by values such as high quality, internationality and slow life. These values are in line with the story and strengthen it. The overall branding approach of the company is marketing-driven.

The brand is strongly connected to Finland and the country-of-origin is emphasised in branding. The company utilises the stereotypical features of Finland such as peaceful and pure nature in creating the image of the brand. The connection to Finland is more than secondary; it is one brand association and benefit for the customers. The entrepreneurs have noted that Finland has a very good and positive image everywhere and connecting the brand strongly to Finland has been only positive.

Going international has been a premise for the brand and has naturally affected the brand development. The goal has been to create a brand that would succeed internationally. This has been a very natural choice for the entrepreneurs because they have a very international background and networking internationally has been logical for them. Especially the brand communication has been affected by the aim of internationalising. All information and communication was first only in English and the website of Chao & Eero Jewel was translated to Finnish only in 2010. The international brand communication is discussed in more detail in the next section.

International brand communication of Chao & Eero Jewel

The company strives for standardisation of international brand communication as much as possible and to a great extent the brand communication is actually standardised across markets. According to Hintsanen, standardised brand communication has been natural and rather easy because the story of the brand is so unique and even strange that it does not need adaptation. It works in all target markets which are all urban and westernised areas around the world. The visual material that reflects the Finnish origin of the

brand is entirely standardised. The company has put a lot of effort to the visual material and developed it during the years. Other materials are merely fine-tuned to the needs of each market. An exception is Japan where the brand communication has to be adapted to a greater degree due to the cultural and linguistic differences. But the core identity and especially the Finnish origin work in Japan too. What has been important in Japan is perseverance in all business operations because the business culture of Japan requires building a relationship gradually. Overall, the company has put effort to international brand communication and believe that it has played an important role in the internationalisation process.

On a tactical level the brand communication relies on non-traditional channels. Traditional advertising is not used at all because it is seen too old-fashioned and ineffective. In addition, they bind the company too much to a certain place.

“For example magazine advertisements, we would not achieve anything with them.” (Hintsanen 2011)

The company has taken part in several international fairs and competitions around the world. The brand communication at fairs has developed greatly through trial and error. Especially in the beginning the company had to find the right fairs and try what works and what does not. This has led to some lost investments from financial perspective. But these trials have been important learning opportunities to gather experience and knowledge. International fairs and competitions have been significant brand communication channels especially in the beginning. Nowadays their importance has decreased because the company has put more effort to the internet and social media. The internet enabled online fairs in which the company participated several times. This has partly decreased the need of participating in traditional fairs.

The brand has also benefitted of several articles written about it in magazines. They have created awareness and credibility for the brand. In addition, they are a cost free form of publicity for the brand. Sometimes the articles have surprised the entrepreneurs because they have been written in countries where they have never been or have no customers from.

In addition to Chao & Eero Jewel’s own brand communication, some retailers do their own marketing for the brand. Some of the retailers have their own materials and some use materials provided by the company.

The biggest challenges in international brand communication are connected with the small size of the company and time. The company has limited resources and the effect of any brand communication is rather small and it is hard to get volume.

“Two people, for example in Tokio, it is the same what you do there, millions of people run past it, and so the effect is always rather small.”
(Hintsanen 2011)

To overcome the problem the company tries to cooperate with others and take part in bigger projects and fairs. Bigger projects often have greater influence than the activities the company does on its own. From this perspective fairs and events still have their place in the international brand communication of the brand.

The use of social media in international brand communication of Chao & Eero Jewel

The company uses social media in international brand communication to spread awareness and build the reputation of the brand by spreading the story as much as possible. The entrepreneurs believe that in order to create a credible online reputation there has to be a good deal of positive and believable content of the brand online. Therefore, one goal is to get people to link and recommend the brand in social media. The online reputation of the brand is useful when the company contacts retailers and buyers.

“It’s clear that if you contact a bigger buyer they will go to Google as the first thing.” (Hintsanen 2011)

Social media is also an information channel where to communicate the latest news of the brand. In addition, the company utilises social media in networking. Social media is a suitable brand communication channel for the company for various reasons. Firstly, it is a cost-effective channel in which the company does not have to invest directly any money, only time. Secondly, social media enables mobility and it does not tie the company to any certain place. It allows the company simultaneously to travel and do brand communication from almost everywhere. There are no breaks in brand communication. Thirdly, communicating in social media is easy for the entrepreneurs because it follows the down-to-earth, approachable and personal style of offline communication in which the story is told as it is.

“As we are a company of two people, we don’t try to be anything bigger or more spectacular than we are. -- We are Chao and Eero also there [in social media].” (Hintsanen 2011)

The style of communicating in social media is well in line with the core identity of the brand. The language used for communication in social media is English. Social media was only emerging when the company was established and therefore it was not used

in the beginning. Nowadays it is a very important communication channel for the brand and the entrepreneurs expect the importance to grow in future.

Chao & Eero Jewel uses social media to communicate with consumers. Hintsanen believes that companies should have a close relationship with social media if they want to use it successfully. One part of this is being active in the communication.

“One should be social in social media, isn’t that the basis?” (Hintsanen 2011)

The company tries to be social and actively respond to comments and questions by consumers. Moreover, the company tries to be active outside its own social media pages. For example, if someone writes a blog article of the brand, the entrepreneurs often personally write a word of thanks to the writer. Overall, they aim at two-way communication in social media.

Chao & Eero Jewel has a strategy guiding the international brand communication in social media. It is not a written document but an intangible, loose framework of what should be done in a certain time frame. The entrepreneurs do not want to make too strict plans so that the communication stays natural and does not become too stiff. However, the messages in social media need to be planned and edited in order to keep a consistent line and the followers interested. Experience facilitates the use in long-run, but does not eliminate the need for planning.

“Well, of course when you do it regularly it starts to go on its own, but you need to plan it anyways quite much.” (Hintsanen 2011)

Moreover, the company has noticed that social media needs a kind of “professional touch” and it is a tool that should be taken seriously. Brand communication activities in social media require consistency and perseverance. For example, Twitter is not used because the company does not have enough time to concentrate on it properly. Keeping the messages consistent and controlling the communication is easy for the entrepreneurs because the company is small. In addition, the entrepreneurs have found it easy to create content for social media because the brand is created around the founders and the entrepreneurs just write about their actual life and happenings. The strong values behind the company are guiding also the communication in social media.

International brand communication in social media and in other channels is integrated to some degree. For example, the company links blog and magazine articles written about the brand to their Facebook page and taking part in a fair is communicated in social media. The company website has a link to the Facebook page of the brand. The main visual material is the same in all brand communication.

The activities in social media are followed with statistics. The most important information is checked and evaluated but no heavy follow-up documents are used. The overall traffic and its development is analysed in order to learn from where and why people have found the brand. The lack of resources limits the efforts put to analysing the data but the company tries to prioritise and concentrate on the most important data. The company also monitors what is written or published about the brand elsewhere on the internet. With social media Chao & Eero Jewel can also follow the consumers to a certain degree and learn from them.

The biggest challenge of social media for the company is that it requires time and commitment. There is a threat that one forgets that social media should be used for the purposes of the brand and not for personal needs. In order to overcome this threat the company utilises the strategy described before. Hintsanen also believes that the company should be genuinely interested in using social media and the culture of the company should support the use of it. In addition, he believes that a company should have a close relationship with social media channels and understand how they work if it wants to succeed in communicating their messages there. Otherwise the brand communication might not work. But the entrepreneurs do not see this to concern them as the use of social media is natural to them.

The company tries to develop its brand communication in social media by following other companies instead of reading thick guidebooks. Chao & Eero Jewel tries to find new ideas and tools which could work for them. The entrepreneurs find it important that the means fit the needs of the brand. They also need to feel natural for the entrepreneurs to use.

Facebook is the most important international brand communication channel in social media for the company and the only one they use themselves. It works as a kind of member club in which the followers receive some advantages or benefits. The company has not tried to grow the amount of people following the brand by attracting consumers with competitions or similar activities. Instead, the aim has been to grow the amount of followers slowly with smaller things and gather genuinely interested people to follow the brand.

Although the company does not use blogs or Twitter itself, they have an important role in spreading the awareness. Many articles and numerous tweets about the brand have been published around the world. They form a part of online word-of-mouth and contribute to the credibility of the brand.

5.2 Costo

Costo is a Finnish design-intensive company producing hats and accessories from industrial leftover materials. The company was established in 2006 although at that time the founders did not have a clear idea for the company yet. The founders had studied design and had decided to start a design related business. The founders did not have a clearer idea and it took about a year until the idea of making hats and accessories was found. The founders saw a niche in the hat and accessories market and decided to target it. Industrial leftover materials as production material were chosen for their low costs and for their ecological aspect as a material. Overall, sustainable development is important for the founders of Costo and one of the values driving them.

The company sold the first products in December 2007. In the beginning the founders manufactured all products themselves. Nowadays, the design and models for the products are made by the company while the production is outsourced. Unlike many companies in the fashion industry, Costo does not make big collections that are released twice a year. Instead, it has a constantly evolving collection and new models emerge on a weekly basis. The company does not keep a large stock of items because products are made upon orders. This enables flexible and quick reaction to customer needs.

Since the beginning, Costo has grown little by little and employs today three full time workers and four freelancers. The first steps in internationalising were taken in January 2010 when Costo participated in an international fashion fair in Germany. Exporting started later on during that year. On an international level Costo devotes more on a couple of main target markets but in 2011 products were exported to about 20 countries all around the world. In total, exports accounted for 16-20 per cent of the turnover. The customers of Costo are very heterogeneous and the products are sold simultaneously in street and high-end fashion shops. Internationally the products are sold through retailers and Costo's own online shop.

International branding strategy of Costo

The brand structure of the company is simple including only the corporate brand. Individual products have names but they are not branded. Instead, they are an embodiment of the brand and an important part of it. The brand building of Costo has not been a conscious process guided by a clear strategy. This follows the development of the whole company as it has developed more on its own without a clear strategy. The founders have just been developing and growing the company step by step.

“Well, basically it [the brand] has grown on the way and basically we don't have any planned strategy for it.” (Bengs 2011)

However, during the years Costo has become a brand. The strong values of the founders and a clear idea of the visual image of have directed the brand development. They have also been a stable element in the development of the brand and the company. For Costo the products are the basis of the brand and the brand is created strongly around these products. Other activities are mostly seen to support the image that the products create for the brand. The values of the brand are high quality, strong visual look and ecological materials of the products. The overall branding approach of Costo could be evaluated to be product-driven as the emphasis is strongly on the products. The brand has also symbolic benefits but the company concentrates on the product-related benefits. The founders have also had a clear vision that the brand does not stand for low quality mass production.

The company has aimed at creating a global image and the goal of the business has been to enter international markets. This has partly guided the brand development. Everything that has been done to create an image for Costo has been done so that it reflects internationality. The core essence of the brand is standardised across countries. For example, all communication has been in English since the beginning and Finland as a country-of-origin is not highlighted in any way. According to Bengs, one of the entrepreneurs, many customers do not know that Costo is a Finnish brand and believe it to be Italian, for example. The founders value this as a positive thing because being Finnish is not seen as an advantage for the brand.

Costo does not target a certain segment that would guide branding. Instead, the founders believe that the products serve the needs and wants of a vast, heterogeneous group. Actually, the company fights against segmenting people and states that the Costo style is for everyone beyond normal segments. From the entrepreneurs point of view segmenting complicates selling.

“It is so wide, our repertoire -- that it is way easier to sell if you don’t even try to segment it to a certain pigeonhole.” (Bengs 2011)

Moreover, Bengs sees that the only thing that puts Costo to a certain segment is price. The price is the same for all resellers across markets but Costo has noticed that the prices vary because resellers have their own prices.

Surprisingly, Costo does not fear being copied and in fact, the products have already been copied. Inside the company this is seen as a sign of doing something right and not as threat. Bengs claims that the employees believe that the people who buy a copy would not buy the real Costo product anyways.

International brand communication of Costo

Costo does not plan its international brand communication much and does not have a strategy guiding it. The company believes that one can go far by concentrating on doing instead of planning.

“I don’t believe it’s even good that it [international brand communication] is really planned. -- We have always done everything contrary to what the textbooks say. And we have gone quite far with that. So I believe in doing first and thinking after.” (Bengs 2011)

The international brand communication of Costo could be described as standardised on a strategic level with some degree of adaptation on a tactical level. The brand communication is mainly similar in all markets. On the one hand, the need for concentrating on the specialities of different markets is acknowledged inside the company. In fact, the company has a couple of target markets in which it has cooperated with native contacts in order to know the premises of the market. For example, the native contacts have done marketing research for Costo. But on the other hand, the company is so busy running the business that there is not much time to think of brand communication. A lack of time and financial resources are the biggest constraints. Overall, the efforts put to international brand communication are minimal.

The international image of Costo has been strongly created with visual images and photos. For instance, in the beginning the founders travelled to different countries to photograph Costo hats on different people all around the world and used these photos in international brand communication.

Most efforts have been put to the development of the website of Costo which is the most important brand communication channel for the company. The website is the channel with most visitors and the majority of contact requests come through it. The website is used to communicate and create the international image of the company. A strong emphasis is put again to the photos in communicating the wanted image. The company has constantly developed the website and at the time of interviewing Costo had its fourth version online. The website of Costo includes an online shop where customers and distributors can order the manufactured hats and accessories. The sales through the online shop are growing all the time and the percentage of international customers is steadily increasing.

The company sees the products as significant brand communication tools. According to Bengs, the strong visual look of the products draws attention and creates interest towards the brand. The products are also the embodiment of the Costo style.

“The best marketing tool that can be is a hat because people put it to their heads. And especially the hats that we make are noticed right away.” (Bengs 2011)

Interest in the products creates word-of-mouth which has been extremely important for Costo in both home and international markets. It has enabled growth and entering foreign markets. On the whole, the awareness of Costo spreads strongly through word-of-mouth.

The company has not used traditional advertising channels at all because there has not been any need for using them. In addition, traditional advertising is too expensive, ineffective and time-consuming for the company. Instead, Costo has benefitted from the publicity in many international magazines. Several of them have written articles about the brand and the company is receiving new requests continuously. In addition to articles, Costo products have featured in both international and Finnish magazines. The articles and product appearances have played an important role in creating awareness for the brand. Moreover, they are a credible and free form of brand communication for the company.

“That’s [articles and products in magazines] also communication and a good form of it. Rather so than buying advertisement space from a magazine.” (Bengs 2011)

Costo has also participated four times in an international fair in Berlin. The company has plans to increase the amount of international fairs within the limits of resources. International fairs are a place for Costo to network and communicate with press, buyers and importers.

Collaboration with photographers, artists and other brands has been another way to enhance international brand communication at low cost. In addition, many celebrities have used Costo products which has created positive interest towards the brand. Finding partners is rather easy for the company because it receives many collaboration requests so that it can be the reactive part and choose its partners. The interest in Costo has spread even over to Hollywood and some celebrities are enquiring collaboration possibilities.

The use of social media in international brand communication of Costo

Social media offers Costo a free channel to do brand communication and create awareness of the brand. In addition, it is a means to create the image, and to communicate the message and values of Costo.

“It is a free route to do the communication, create the brand and bring it out so why wouldn’t you use it?” (Bengs 2011)

Like other communication, the activities in social media concentrate on developing the international image of the company. This is done mostly through visual content. A great part of the visual content is created in collaboration with photographers and ordinary consumers. Costo provides them with products and they provide Costo photos of different people wearing the products around the world. The company believes that social media is an important channel for companies because it is the place where consumers are. Moreover, the company believes that the significance of social media will increase in near future. But simultaneously it is hard to estimate the overall importance of social media for the brand. The company believes that the actual products are more important.

Social media is a two-way communication channel between Costo and consumers. For example, the Facebook page of the brand is open for everyone to post or comment something and the company tries to react on the actions of consumers. The company has also tried to activate its followers to produce content by asking them to send photos of them wearing Costo products. But overall, the majority of contacts still come through the traditional website.

The company does not feel that anything in social media would be particularly challenging. The increasing amount of content and spam online create one challenge as it is harder to differentiate and create interest online. The company tries to overcome this problem by relying mostly on visual material. The entrepreneurs believe that consumers are more interested in looking at photos which they can interpret themselves than in reading announcements. Bengs notes also that the increasing amount of spam makes it more difficult to access consumers as they became more selective. The language used in social media is English.

The communication on social media is integrated to some degree with other communication channels. For example, the company informs the followers of participation in fairs on Facebook. Also some articles of the brand are linked to the Facebook page. On the company website Costo has a link to the Facebook page of the brand. In addition, the company website includes social media elements as visitors have the possibility to comment the news. The communication style is similar everywhere.

The company follows the brand communication in social media through statistics and discussions. The company has several different statistic reports available which provide a great amount of information and the company analyses, for example, the amount and the duration of visits. In addition, the company follows what is written about the brand elsewhere in the internet. The company receives a link if Costo is mentioned somewhere and often checks what is written about the brand. If it is an interesting article, the com-

pany might link it to its Facebook page, for example. The company also analyses the amount of Facebook links and they are clearly and constantly increasing. But following the effectiveness of certain, individual activity is seen as rather difficult because the cause-effect relationships are often complex.

Facebook is the most important social media channel for the company. Firstly, it is used to communicate the brand image through photos. Most of the published contents are photos and Facebook is used as a kind of photogallery of the brand. Secondly, it is an information board where the company informs followers of latest news or events. At the moment all announcements go through Facebook and it is the only channel used for informing consumers and customers. The company plans to put more effort on Facebook and it is planning to open an online shop inside Facebook in future.

In addition to Costo's own brand communication in social media many blogs have written about the brand or the products. These have spread the awareness of the brand. Collaboration with bloggers has been utilised too.

5.3 Outo Wear & Gear

Outo Wear & Gear (the brand name Outo is used henceforth) is a Finnish company producing hand knitted hats and accessories. Outo employs only the owner-manager Ville Lahtinen who manufactures all products himself. As the products are handmade they can be highly tailored to match customer needs and in fact, a great share of the production is unique pieces. The company was established in 2003 and since then the business concept and customers have developed greatly. First, Lahtinen made beanies only for his friends. Soon after he had realised that there could be a greater market for his products and he started targeting snowboarders. Nowadays, the customers are highly heterogeneous and the product line has expanded from beanies to other types of hats and accessories. Today, the main emphasis is in highlighting the design aspect of the products and Outo offers its customers the possibility to be a part of the design process. The customer can choose the threads, colours, materials and shapes for the product. The product design is made together with Lahtinen and the customer. Then Lahtinen knits the product based on the plan and sends it to the customer. Sometimes, when the company has business customers Lahtinen even goes to the premises of the company to make some of the products. Customers can order the products directly from Outo or buy them from selected retailers who sell the readymade collection.

Outo started exporting its products in 2006. Today products are exported around the world. At the time of data collection exports accounted for 11-15 per cent of the turnover. It is hard to give a stable number for foreign markets as all orders are individual. Finland is still the biggest and most important market for Outo.

International branding strategy of Outo

The brand structure of Outo is simple and it consists only of the corporate brand which represents the company and is an umbrella for the products. The products have individual names but they are not branded. The development of the Outo brand has started on a quite early phase of the business and it has been a conscious process. The brand provides the company a means to differentiate as the products themselves can be easily copied by other companies or by skilful consumers. The main idea and the name of the brand have remained unchanged throughout the evolution of the company but otherwise the entrepreneur has developed the brand quite much. The biggest change has been in the positioning of the brand. In the beginning the company targeted snowboarders and aimed at having an image that would appeal to them. In some point the entrepreneur wanted a change and decided to target a broader audience. Thus, the brand was repositioned and design became an even more important part of the brand. This brand development follows the evolution of the whole business.

Although the brand has been developed, the values driving the Outo brand have remained the same to a great extent. These values are individuality, uniqueness and handicrafts. In addition to the values and the design element of the brand, the story of Outo is an important part of the core essence of the brand. Overall, the brand is created strongly around the story of Outo which is the actual history and development of the company and the brand. The core essence is standardised across markets. Today, the value proposition of Outo is strongly based on symbolic values of uniqueness and experience of being part of the design process. Functional, product-related benefits play a minor role. Therefore, the branding approach of the company is clearly marketing-driven. The Outo brand has slightly different benefits for the consumers that buy products from the readymade collection as the consumer cannot take part in the design process. Otherwise the value-proposition is the same and based on the values driving the brand.

Finland as the country-of-origin is a strong positive secondary association for Outo and the company utilises it in international branding. According to the entrepreneur, especially in Japan and in the USA the good reputation of Finland is valued and the brand has benefitted from it. Lahtinen claims that in the USA Finland is seen as an exotic and intriguing country and it is clearly beneficial that the brand comes from Finland. Similarly he argues that it is an even greater advantage in Japan and one reason for entering Japan is the demand for Finnish products. Outo products are made of Novita threads and according to the entrepreneur, the connection to Novita is a positive secondary association in the home market. Novita is a Finnish thread brand and the entrepreneur claims that the Novita brand has a good reputation and many Finnish customers see it as a guarantee of quality. Unfortunately this effect does not carry over to international markets as the brand of Novita is unknown abroad.

The Outo brand is also defined from the opposite point of view or in other words what it does not stand for. These negative points of parity are mass production and someone else except Lahtinen making the products. Therefore, Lahtinen himself is an important part of the brand and in a way the personification of the brand.

“When I put the little Outo-tag to the corner [of a product] it is a sign that no one else has done it except me. It is a guarantee of that, a promise.” (Lahtinen 2011)

It is acknowledged that saying no to mass production or to anyone else knitting the products hinders growth but they are not seen to be in line with the brand image and value proposition.

Internationalisation and needs of different markets have not affected the development of the core essence of the brand much as it is based on the values and the real story behind the company. Instead, the needs of different markets have a greater effect on the brand communication which is discussed next.

International brand communication of Outo

On a strategic level the aim of Outo is to have standardised brand communication across markets. The company has succeeded in keeping the main message of the brand unaltered across markets. Also the used communication means are similar all over the world. But the company has had to slightly adapt the brand communication to each market.

“Although one needs to think of it [brand communication] separately on each market, one needs to remember that the message has always been the same. -- The material is basically the same in each market and it is just tweaked a bit to fit the country.”(Lahtinen 2011)

The entrepreneur has noted that the basic story works well in all markets around the world because it is funny and genuine. The brand communication just needs to highlight the brand associations and benefits differently in each market. For example, in the USA the ecological aspect of Outo is highlighted whereas in the home market it is a self evident benefit and need for stressing them is not acknowledged.

The international brand communication of Outo has developed through trial and error. Experiences have taught the entrepreneur what works on a certain market and what does not. Especially pricing has been challenging and finding a suitable price for all markets is balancing with the requirements of different markets. The company aims at having a unified price across markets in order to avoid inconsistent line. But it has been

difficult to set a global price as consumers in different markets value the products of Outo highly different. For example, in the USA the price has to be high or the brand value will diminish whereas in Finland and Australia the consumers are not ready to pay as much due to the long traditions in handicrafts.

“In Finland you cannot ask a really high price. But for example, when I was in the USA they laughed in my face because my price was something like 60 bucks and they were like how can I even imagine asking so low price of myself. They were like put a zero behind it and things are going take off.” (Lahtinen 2011)

Packaging has created problems for Outo especially in Japan. Elsewhere, the packaging supports the ecological aspect of Outo by having as little packaging material as possible. In Japan products are traditionally packed in wooden packages. The entrepreneur feels that wooden packages are inconsistent with the brand identity and other brand communication. Finding a solution that suits the brand and Japanese market is difficult. Overall, Outo has acknowledged that the business culture of Japan is fundamentally so different that a native partner is required there. Outo uses native contacts in other markets too and they are seen helpful in providing insight on the market but in Japan it is seen as a prerequisite for success.

The international brand communication is purely based on non-traditional communication channels and methods. Traditional advertising channels such as television or magazine advertisements are seen inefficient and not suitable for Outo. The entrepreneur does not see any value in investing in them. Instead, word-of-mouth is an important part of the international brand communication of Outo and the entrepreneur believes that awareness created with word-of-mouth is more credible than bought awareness.

“I don’t see the value in them [TV or magazine advertisements]. I’ve believed more in letting people talk.” (Lahtinen 2011)

Word-of-mouth was an especially important communication channel in the beginning of Outo and the company was established because the story of the entrepreneur making beanies spread through word-of-mouth. Also articles written about Outo have been valuable for the development and growth of the brand. The articles have been a free and credible form of brand communication and they have spread the awareness of the brand. In addition, the entrepreneur values the fact that publicity received through magazine articles does not look like advertising. The articles written of the brand have strengthened the effect of word-of-mouth and given credibility for it.

The company website is the most important brand communication channel that the company uses itself. It is used to create the wanted image and it has played a significant role in communicating the renewed positioning of the brand. At that time the website was renewed and the entrepreneur replaced all content connected with snowboarding to content emphasising the design element of the brand. The website also means for Outo to remind its customers that the brand still exists. The entrepreneur pays attention that website contains always the most accurate info.

Fairs are another significant part of the international brand communication. Generally, fairs have their own marketing communication and the company concentrates on integrating the brand communication with the communication of the fair. In addition, it is important that the brand messages are not contradicting with the message of the fair. Overall, at fairs the brand communication has to be adapted the suit the occasion. The company has also specific brand communication materials for fairs.

The use of social media in international brand communication of Outo

Social media is an important low-cost channel for Outo to do brand communication internationally and it is used for several purposes. Firstly, it is used as a channel to remind consumers of the existence of the brand. Secondly, social media increases the reach of brand communication and creates a larger “landing surface” for consumers to find Outo. In addition, the entrepreneur believes that the mere presence in social media gives a younger image for the brand than not being in social media. Thirdly, social media is an important feedback channel for the company because more feedback comes through social media than through other channels. This feedback comes faster and more directly than through other channels as it is a direct channel between the company and the customer. The company sees that the feedback of consumers is expressed in many ways in social media. It includes direct comments, likings, recommendations and re-linking of the content.

But although social media is a significant feedback channel for the company, the entrepreneur does not see it as a notable communication channel between consumers and the brand and real two-way dialogue between the brand and consumers is rare. The company has more of a reactive perspective and uses social media to listen and follow people. If the consumers ask something, then the company reacts on it. A guestbook on the company website has been the main two-way channel but it has lost its importance gradually.

The importance of search engine optimisation in creating online presence and credibility is understood at Outo. Therefore, the company concentrates on linking the story of the brand as much as possible. For example, if an article about Outo is published, it is linked to the website and Facebook page of the brand. Another part of the strategy in social media is to get consumers to comment or act on the content published by Outo.

Therefore, before publishing anything in social media the company evaluates whether the content is up-to-date and interesting or if it includes something that makes consumers link it further to their friends.

“People will naturally follow you more when you publish better and more interesting stuff more frequently.” (Lahtinen 2011)

Lahtinen has noticed that new content must be published rather frequently so that the brand would stay in the minds of the consumers. He has understood that social media requires planning but no need for creating a strategy has emerged as using social media is a natural channel for the entrepreneur to use. In addition, the brand communication in social media is guided by the same values that guide the brand. All communication in social media is in English.

Social media is a means for the company to integrate its brand communication from different sources and as said before it adds to the coverage of brand communication. The different channels support each other and they all communicate the same message. For example, participation in a fair is communicated to consumer through Facebook. In addition, the company website includes links to the brand’s Twitter account and Facebook page. It is seen important that the message is the same in different brand communication channels so that increases the credibility of the brand.

The international brand communication in social media is regularly followed up by monitoring discussions and statistics. From the discussions the company follows what is discussed about Outo and how people find the brand through these discussions. Moreover, the reactions of consumers to brand communication messages in social media offer fast and direct feedback of the success of the messages. The reactions of consumers tell the entrepreneur right away if the uploaded content works or not whereas on the company website a new announcement can be months without any reaction from consumers. The statistics provide the company detailed information on the visitors and their actions. For example, the company can see how many visitors have clicked something. The company analyses the statistics of the company website but also those of individual social media channels.

“It is special that it [Facebook] is a totally free channel and you receive all feedback like how many people have clicked, how many people have viewed it and like how long they’ve stayed on the page.” (Lahtinen 2011)

The risk of losing control in social media is well understood at Outo. But the entrepreneur sees that the beauty of the internet is that no one can control what people talk online. He claims that therefore positive comments of the company give instant credibil-

ity. The entrepreneur has noted that in order to keep a consistent line and receive positive comments, one has to have strong values what to follow also online.

From individual social media channels the company utilises Facebook, Twitter, blogs and photosharing services. In addition to the before mentioned purposes, Facebook and Twitter are used as quick channels to inform followers of latest news and events. The blog is embedded into the company website. The blog is written by the entrepreneur and it has a rather personal touch. For example, the blog includes stories from fairs or other events.

5.4 St. Vacant Footwear

St. Vacant Footwear (the brand name Saint Vacant is used henceforth) is a Finnish design-intensive company producing shoes, bags and accessories. The main products are handmade bespoke shoes and ready-to-wear shoes. The company was established in 2005 by Janne Lax. Before founding the company Lax had made handmade bespoke shoes for over ten years. The idea for Saint Vacant was born when Lax wanted to create something new by combining the traditional experience with a funky and urban design. Saint Vacant employs only the owner-manager Lax who makes the bespoke shoes and designs the readymade collection himself in Finland. The production of the readymade collection is outsourced to a small family owned company in Portugal. Other external services such as graphic design companies are used when Lax does not have the knowledge or skills himself.

The first mini-collection of Saint Vacant shoes was introduced in the end of 2005. The company started exporting to Sweden in 2007. In the beginning exporting was rather small-scale. Slowly by taking part in several international fairs the share of exports grew and in autumn 2011 Saint Vacant shoes were exported to five European countries. During the time of data collection 21-25 per cent of turnover came from exports. Lax does not have clear information of the (end) customers on an international level but in Finland a typical (end) customer is 20-40 year old man living in an urban area. The products are sold internationally through Saint Vacant's own online shop and retailers.

International branding strategy of Saint Vacant

Saint Vacant has a simple brand structure. The entrepreneur has created a corporate brand to represent the business and all products. Individual products have their own names but they are not branded in any way. The development of the Saint Vacant corporate brand has been a conscious process which started simultaneously when Lax began to work on the business idea. The brand was introduced for the first time in the end of

2005 together with the first collection. Since then the core essence of the brand has remained the same and it is standardised across markets. The core essence of the brand is based on symbolic values such as love for shoemaking, conflict between old and new, weirdness of the visual look, and breaking the rules of shoemaking. The Saint Vacant products and their general characteristics support these values and link functional benefits to the brand. These functional benefits are high quality and a good fit of the shoes. Therefore, the brand offers consumers both product-related and emotional and self-expressive benefits. However, the symbolic benefits have a greater role and the branding approach is more marketing- than product-driven. The values of the entrepreneur are strongly connected with the brand and they have guided the brand development to a high degree. In a way, it could be argued that the Saint Vacant brand represents the ideas and opinions the entrepreneur has towards shoes and shoemaking.

In addition to the main benefits of Saint Vacant, the connection to Finland is a positive secondary association for the brand although it is not seen as a significant association defining the brand. The connection has been useful in brand communication and it has offered one element of differentiation. According to the entrepreneur, the brand is actually often perceived French or British at first and the Finnish country-of-origin works as a surprising element that appears to increase the interest towards the brand. The entrepreneur has noted that Portugal, the country of manufacture for the readymade collection, has positive country-of-image in the industry. The fact that the shoes are manufactured in a small family owned company in Europe is seen as a positive differentiating element.

The goal of the company has always been to enter international markets and internationalising is seen as a lifeline for the company. Therefore, the aim in brand development has been to create a brand that could work internationally and it has had the greatest effect on the name of the brand. The name was chosen so that it could work abroad and reflect internationality. In addition, all brand communication has been in English since the beginning. This fact is discussed in the next paragraph.

International brand communication of Saint Vacant

The international brand communication of Saint Vacant follows at the moment a standardisation strategy due to limited resources. Cultural differences between markets and a need of adaptation to certain extent are acknowledged and in the future the aim is to adapt the message according to the market. Also the lack of language skills and knowledge of target markets' business culture are seen to hinder international activities to some extent. In the long term the entrepreneur believes that the cooperation with importers should help in fine-tuning the brand message and in finding the best communication channels to use in each market. Already now local contacts have helped the international branding of Saint Vacant to some degree. But even if adaptation will in-

crease in future, the aim is to keep the main brand message and the brand itself unaltered and standardised.

One of the biggest challenges in international brand communication is the lack of financial resources. It restricts using certain brand communication channels and limits the efforts put to international brand communication. The digesting of all information available is also seen overwhelming for a one-man company like Saint Vacant. In other words, the company cannot exploit all information available in international brand communication. Another difficulty is to differentiate Saint Vacant from competitors. The Saint Vacant brand is created to differentiate the company and its products from others but on international level the competitors have similar brands and the difference between the brands is small. The retailers also put brands to certain segments based on the price.

“And even if I was totally different they put me anyway to a certain group based on the price and such.”(Lax 2011)

The international brand communication of Saint Vacant is mostly based on non-traditional channels and means. Traditional advertisements are not seen efficient on an international level although they are used in the home market to reach people. Moreover, international advertising is far too expensive for the company. Instead, international fairs have been an important brand communication and marketing channel for Saint Vacant. Firstly, fairs are used to acquire customers. But secondly, they are used to meet press and buyers and gather contacts. Saint Vacant informs these contacts whenever something interesting happens to the brand. This straight contact channel to press and buyers is a very important communication tool and it has played an important role in the whole internationalising process. Thirdly, international fairs abroad have been a place for the entrepreneur to gather experience and insights of international markets.

Another important channel in international brand communication has been the company website. Saint Vacant has put a lot of effort to the website and developed it during the years so that it would illustrate the wanted image. The website is entirely in English and no other languages are available. It also includes an online shop.

Besides the two described communication channels, international fairs and the company website, Saint Vacant actively uses social media to promote the brand on an international level. It is discussed in more detail in the next paragraph.

The use of social media in international brand communication of Saint Vacant

Social media plays an important role in the international brand communication of Saint Vacant. It is a cost-effective means for the company to create awareness, communicate directly with consumers and remind them of the brand. It is also used to notify the con-

sumers of latest news and information. The aim of brand communication in social media is to gather as many followers as possible in order to realise the significant potential of social media as a brand communication channel.

“And then if you do it [social media] for couple of years and get there... I don’t know three, four thousand fans and some of them follow you more regularly or haven’t blocked you then you have a rather big group to whom you can send the message directly. So it is quite gleaming.”(Lax 2011)

In a way social media is seen as a means for the brand to have presence in the life of consumers. Once a consumer starts liking Saint Vacant in social media a connection between the consumer and the brand is born. In addition, social media is the primary channel to spread the “feeling” of the brand and create a personality for the brand. It is a fast communication channel for Saint Vacant because after publishing a message it is instantly available.

The communication in social media is two-way between the brand and consumers and it is seen positively at Saint Vacant.

“Well, that it [a communication channel between the brand and consumers] is absolutely. And I believe it is even easier [for the consumers] than e-mail which is already easy.” (Lax 2011)

For example, many consumers like to post questions or comments on the Facebook page of Saint Vacant. So far all messages have been positive and there has not been any need to delete any messages from consumers. Negative feedback comes through other channels. Other activities of consumers such as liking or sharing content are also seen as a form of communicating.

Saint Vacant has acknowledged that the content in social media has to be interesting in order to keep the interest of the followers. In addition, the content has to follow a consistent line so that the image of the brand would be coherent. This requires planning and creating a general frame of how the brand acts in social media. In effect, Saint Vacant has a general strategy for brand communication activities in social media. The strategy is not a written document but instead lies in the head of the entrepreneur. It is a loose frame or plan of activities. From linguistic perspective, the communication is standardised to a great degree. Almost all of Saint Vacant’s own communication in social media is in English. Only some information which is useful for only Finnish consumers is in Finnish.

Saint Vacant integrates its communication in social media with other channels to some degree. For example, when the company takes part in a fair it is posted in Facebook. There might be also a note at a fair that everyone who becomes a fan of Saint Vacant in Facebook during a certain time will take part in a lottery. The aim of this is to increase the amount of people following Saint Vacant on Facebook. The company website has a link to the Facebook page of Saint Vacant with the text "Follow us". Also some articles from blogs and magazines are linked to the Facebook page.

The company follows social media channels regularly to check the "atmosphere" towards the brand. It is not daily routine but done several times a week. Statistics are also followed and analysed to some extent. The lack of resources is limiting the follow-up and in fact, the whole brand communication in social media. The entrepreneur mentioned that the company would need an employee who would dedicate solely to online communication (including all online communication channels) in order to utilise the full potential of social media in brand communication. Overall, the challenge in social media is that it requires time and commitment. Moreover, it is challenging to evaluate what the actual effect or importance of social media is for the brand.

"I believe that they [social media channels] are significant. But one would also survive without. But yes they are beneficial."(Lax 2011)

The company follows how other companies use social media in order to get new ideas for the brand communication of Saint Vacant. The activities of others are analysed if they could work for Saint Vacant. Overall, the company tries to be active in finding new ways of communication. In future, the aim is to hire new employees which would help the company to utilise the potential of social media more efficiently. Moreover, Saint Vacant has noticed that the brand communication in social media should have a clearer strategy. But from another point of view the entrepreneur has noted that the communication of small companies in social media comes across more genuine and real than the communication of large organisations.

Inside social media, Facebook is the most important brand communication channel for Saint Vacant. The company has a two level plan for activities in social media. Firstly, it used to communicate information concerning the brand (for example participation in fairs, new collection) to consumers. Secondly, it is utilised as a channel to post more casual messages on a weekly basis to keep the brand in the minds of consumers. The company has actively tried to increase the amount of people liking or following its Facebook page with competitions and lotteries. Furthermore, Saint Vacant has had advertisements in Facebook. Based on statistics the advertisements have created interest and traffic to the page but it has been hard to evaluate the exact effect of these advertisements on the brand or sales.

Blogs are another social media channel which Saint Vacant uses. The company does not have a blog of its own but the communication is based on cooperation with bloggers. The contacts for blogs have mostly been gathered in fairs and events. In Finland, Saint Vacant uses a PR-agency to organise some blog writings but it does not extend to international blogs or markets. Getting bloggers to write about the brand requires some groundwork and many bloggers want to receive something in return for their efforts. For instance, many bloggers want free or even customised products. Therefore, brand communication in blogs requires time and even financial resources. Overall, the share of blogs and how much effort is put to blogs in international brand communication is still under consideration at Saint Vacant.

5.5 Cross-case analysis

The results of the cross-case analysis are discussed in similar parts. The discussion of each part is summarised in a table at the end of each part.

Comparing the international branding strategies

All case companies had a simple, corporate-dominant brand structure. The corporate brand was seen to represent the whole business. The brand structure had not changed during the lifetime of the companies. All companies had a limited range of products and having a corporate brand representing the whole business seemed like a natural choice for the companies.

The branding approach varied between the case companies. Costo emphasised many times the importance of the products as the centre of the brand whereas the other companies highlighted more symbolic benefits and associations. All brands had both functional and symbolic benefits and no conflict between the different types of benefits was stated. The entrepreneurs had strong opinions on what the brand represented and the values of the entrepreneurs guided the brand development to a great extent. Overall, the brands were strongly connected with the entrepreneurs. Chao & Eero Jewel was even created around the entrepreneur couple and the entrepreneur of Outo played an important part in the brand. Outo was the only company who had re-positioned the brand during its lifetime. The re-positioning was triggered by the wants of the entrepreneurs to change the target audience. The brand identity and its value-proposition were altered in this change to some extent. The other three companies had not had any needs or desires to re-position their brands or change its identity.

The association to Finland was seen strongly positive at Chao & Eero Jewel and Outo. Both of the companies stated that the connection to Finland was an important brand benefit especially in Japan. In addition, Outo had also recognised that the country

of origin served as a positive association in the USA. For Saint Vacant the connection to Finland was a positive secondary association but not emphasised as much as at Chao & Eero Jewel and Outo. Costo on the other hand did not see any value in associating the brand with Finland. Instead, the company aimed at having a brand image which is as international as possible.

All companies had targeted international markets from the beginning or early on. This had affected the brand development to some extent in all companies. The effect could be seen most clearly with the decision on the brand name in brand development. All companies had chosen a name that would work abroad and Costo and Saint Vacant had even chosen a name that would reflect internationality. The case companies aimed at creating a brand that would succeed on international level. But rather than basing the brand on a research on target markets and customer needs, the values and visions of the entrepreneurs guided the creation of the brand's core essence. The brand development was a conscious and planned process at Chao & Eero Jewel, Outo and Saint Vacant while at Costo the brand evolved more on its own. But even at Costo the brand was guided by a strong vision of the entrepreneurs. All case companies strived for a unified brand image globally and therefore the core essence of the brand was standardised across markets. No company had recognised a need to alter the core essence internationally.

The overall brand orientation of the case companies was difficult to estimate using the model created by Wong and Merriless (2005) because the case companies had features of different levels. Costo did not give high importance to branding and had more a production or selling approach to business and therefore it could be characterised as minimal brand orientation. But at the same time the company is aware of its differential strengths and it uses different branding tools which indicates a bit higher level of brand orientation. The company had also succeeded in gaining external recognition for the brand. The brand orientations of Chao & Eero Jewel, Outo and Saint Vacant could be described as mixtures between embryonic and integrated brand orientation. They understood the importance of branding and put effort on brand development and branding activities. Brand development was a clear goal for the companies and they had succeeded in gaining external brand recognition. But the brand was not the only centre of focus in their businesses and on some levels branding was even rather informal.

Overall, the role of the entrepreneur(s) in branding was significant in the case companies. The entrepreneurs were responsible for everything connected with the brand from creating the core essence to representing the brand at fairs. The interest of the entrepreneurs seemed to affect strongly how much effort the companies put to branding on the whole. The above discussing and the branding strategies of the case companies are summarised in Table 7.

Table 7 International branding strategies of case companies

	Chao & Eero Jewel	Costo	Outo	Saint Vacant
Brand structure	Corporate-dominant	Corporate-dominant	Corporate-dominant	Corporate-dominant
Branding approach	Marketing-driven	Product-driven	Marketing-driven	More marketing than product-driven
Association to country of origin	Strong, positive association	Not highlighted	Strong, positive association	Positive association
Standardisation of the core essence	High	High	High	High
Brand orientation	Embryonic / Integrated	Minimalist	Embryonic / Integrated	Embryonic / Integrated
Role of the entrepreneur(s) in branding	High	High	High	High

Comparing international brand communication

The international brand communication of the case companies was standardised to a great degree but all of the case companies had recognised a need to do minor adaptation based on requirements of individual target markets. The reasons for adaptation needs were mostly related to the differences in culture and consumption habits. Saint Vacant relied on fully standardised communication due to a lack of resources and skills. The entrepreneur had plans to adapt the communication slightly in future once the company has more resources and knowledge on foreign markets. Chao & Eero Jewel, Costo and Outo had already done some minor adaptations to their international brand communication. Costo had done some marketing research on some markets in order to know the needs of the market. Both Chao & Eero Jewel and Outo mentioned Japan as the market where the brand communication has to be adapted to a greater extent. But overall the brand communication of the case companies was only slightly adapted and the main brand communication message was kept the same across markets.

In addition to adaptation requirements, the case companies have faced other challenges in international brand communication. The most common was a lack of (financial) resources. This problem limited the tools and channels available for the companies. In addition, a lack of time was restraining the brand communication activities. Costo even noted that the company does not actually have time to concentrate on branding or marketing because other business areas take all the time. For Saint Vacant the lack of skills was another limiting factor. Also Chao & Eero Jewel noted that in the beginning missing experience led the company to some financial misinvestments. But these trials

have been important learning opportunities and given the company the needed experience. Outo had also learned what works in different markets by trial and error.

Traditional brand communication channels (especially paid advertising) were seen ineffective and expensive by all case companies. Saint Vacant had used magazine advertising in the home country but noted that they are not suitable internationally. Overall, traditional channels were seen unsuitable for the needs of the companies. For example, the entrepreneurs of Chao & Eero Jewel regarded traditional channels as old-fashioned and too binding for them. The companies except Saint Vacant did not even see any value or reason in using traditional channels. The companies believed that they achieved better results more cost-effectively with other brand communication means.

Instead, the international brand communication of the companies relied largely on international fairs and events, the company website and articles written about the brand. Fairs and the company website were mentioned by all companies as significant brand communication channels. The international fairs had overall a significant role in the internationalisation process of the companies. They were a place to network and spread awareness of the brand.

The company website played an important role in creating the brand image in the case companies. All companies had developed their websites and some even several times. Costo and Saint Vacant had even integrated online shops to their websites. All websites were in English and Chao & Eero Jewel had added Finnish and Japanese versions.

Articles written about the brand were significant in creating the awareness and interest towards the brand. The articles had given credibility for the brands and helped in reputation building. The companies mentioned fairs as an important place to meet press but it seemed that the articles were written from the initiative from the magazines and the companies were in a reactive role. For example, Costo mentioned that it receives requests for interviews and Chao & Eero Jewel had not even known of some articles before they were published. Only Saint Vacant mentioned that it used services of a PR company but only in the home market.

Word-of-mouth has also played its part in international brand communication although it is not something that the company can directly affect. It has been especially important for Costo and Outo. Costo underlined the importance of the products in creating the interest towards the brand and the company sees them as one brand communication tool. This company had also benefitted from the fact that its products had been worn by celebrities. Chao & Eero Jewel was the only company which mentioned that their retailers have done some marketing of their own for Chao & Eero Jewel. The retailers had used their own material as well as the material from Chao & Eero Jewel. The above discussion and the international brand communication of the case companies is summarised in Table 8.

Table 8 International brand communication of the case companies

	Chao & Eero Jewel	Costo	Outo	Saint Vacant
Degree of standardisation	High with some adaptation on tactical level, Japan an exception	High with some adaptation on tactical level	High with minor adaptation on tactical level, Japan an exception	High
Challenges in international brand communication	<ul style="list-style-type: none"> • Lack of resources and time • Before also missing experience 	<ul style="list-style-type: none"> • Lack of financial resources and time 	<ul style="list-style-type: none"> • Pricing • Adaptation needs of individual markets 	<ul style="list-style-type: none"> • Lack of financial resources and skills • Information is overwhelming
Traditional channels viewed as	<ul style="list-style-type: none"> • Ineffective • Not suitable for the company, • Old-fashioned, • Binding 	<ul style="list-style-type: none"> • Ineffective • Expensive • Time-consuming • No value for the company 	<ul style="list-style-type: none"> • Ineffective • Expensive • Not suitable for the company 	<ul style="list-style-type: none"> • Ineffective • Expensive
Channels and means used in international brand communication (not social media)	<ul style="list-style-type: none"> • Fairs and events • Website • Articles • Retailers' marketing 	<ul style="list-style-type: none"> • Fairs and events • Website • Articles • Word-of-mouth • Products 	<ul style="list-style-type: none"> • Fairs and events • Website • Articles • Word-of-mouth 	<ul style="list-style-type: none"> • Fairs and events • Website

Comparing the use of social media in international brand communication

Social media was used for various purposes in the case companies. All of them used it as a channel for public relations. For example, the companies informed their followers of latest news or new products through social media. Overall, social media was used to share information of the brand for the public. For Outo social media was a significant channel to gather feedback from consumers. Another common purpose of using social media was to spread awareness of the brand. The entrepreneur of Outo mentioned that social media increased the reach for brand communication or in other words it created more possibilities for consumers to find the brand. Social media was also used to influence how consumers perceive the brand. The companies used it to create the brand image and build the reputation of the brand through social media. Outo and Saint Vacant named social media also as a channel to remind consumers of the brand. Moreover, the entrepreneur of Saint Vacant stated that social media provides a possibility for the brand to have presence in the life of consumers and it creates a connection between the consumer and the brand.

In addition to the above mentioned purposes, social media was used to communicate with consumers. Chao & Eero Jewel and Saint Vacant found it to be an important two-way channel. The companies understood communication in social media widely to con-

sist of all actions such as commenting, liking or linking content. The entrepreneur of Saint Vacant claimed it to be an especially easy channel for the consumers to communicate towards the brand. The entrepreneurs of Chao & Eero Jewel aimed at being social beyond their own social media pages. Chao & Eero Jewel was also the only company who stated that it tries to offer exclusive benefits for its followers in social media. Costo and Outo had more reactive perception towards communication with consumers. Consumers were welcome to communicate on their social media pages and the companies responded to consumers. But neither one of the two gave special importance to social media as a two-way channel. None of the companies used social media to really include consumers in the brand development.

All case companies stated cost-effectiveness as an advantage of social media. This was not unexpected as social media is known as a free channel and one of the biggest constraints limiting the international brand communication of the companies was lack of resources. Outo and Saint Vacant appreciated the speed of social media as a communication channel. Through social media the consumers receive the brands messages quicker than through other channels. The companies mentioned also that in social media the company can see the actions of consumers faster and it is possible to give quick response to it. Saint Vacant emphasised that social media offers a channel for the company to communicate directly to the consumer. Similarly, Costo noted that social media is the place where consumers are nowadays and it is important for the company to be there too. For Chao & Eero social media has enabled mobility and continuity of brand communication regardless of where the company is in reality. In addition, it seemed like social media was an easy channel for all of the companies but only Chao & Eero Jewel stated that as a separate advantage. The entrepreneur of Chao & Eero Jewel stressed that communicating in social media is natural for the company. Moreover, no company stated that social media is difficult to use and the companies talked about social media like it was an obvious brand communication channel to use.

The case companies had not faced any overwhelming challenges with social media. The entrepreneurs of Costo and Outo even claimed that they had not faced any specific challenges. Closer interviewing revealed that the risk of losing reputation in social media was understood at Outo. But the entrepreneur of Outo did not consider it to concern the company that much because it had a consistent line in the brand communication and it followed its strong values in social media. Costo had noticed that differentiation and attracting consumers online becomes more and more difficult because of a continuously increasing amount of online content and more selective consumers. But it was not seen as a significant challenge concerning Costo. For Chao & Eero Jewel and Saint Vacant limited resources and time created challenges. Both companies had noticed that social media requires commitment and time. In addition, the entrepreneurs of Chao & Eero

Jewel had noted that as social media is used for both personal and business purposes the line between these might blur and one might forget that it should be used professionally.

None of the companies had a written strategy for social media. However, all companies planned their actions in social media to some degree. The actions of Chao & Eero Jewel and Saint Vacant were guided by a loose, intangible strategy that lied in the heads of the entrepreneurs. For both companies the strategy outlined how the brand acts and communicates in social media in order to keep the brand messages coherent. The strategies were rather general and did not guide single messages. Although Costo and Outo did not have a strategy guiding the actions in social media, the communication was guided by strong values at Outo and by the aim of concentrating on visual material at Costo. The entrepreneur of Outo also concentrated on search engine optimisation and evaluating whether the content would be interesting in the eyes of consumers and what would make them link it forward.

The integration of social media with other brand communication channels was similar in all case companies. Participation in fairs and articles about the brand were linked to social media. By linking magazine or blog articles to the brand's social media page, the companies integrated the content created by others to their own communication. Linking articles was seen as a way to increase the credibility of the brand. All company websites included a link to the social media pages and Costo and Outo had incorporated social media elements to their websites. Saint Vacant had had competitions at the fairs that encouraged people to go to the Facebook page of Saint Vacant. The style of communicating was similar in all channels.

All case companies followed the activities in social media through statistics. From these the companies analysed the traffic and its development. The statistics provide information on where the visitors come from, how they found the brand and how long they stayed on the site, for example. The statistics provide the companies a very large amount of data and the resources of the companies limit how much of the information they can actually analyse. For example, Chao & Eero Jewel simply cannot go through all the data due to limited resources. In addition to statistics, the companies followed discussions and comments about the brand or company in social media. These also provide information on the consumers and their thoughts about the brand.

Facebook was used in each case company and it was the most important brand communication channel in social media. Outo was the only company to use other channels, Twitter and a blog, in its own brand communication. However, especially blog articles elsewhere on the internet played an important part in the brand communication of the companies. Blog articles can be compared with magazine articles and they spread the awareness of the brand. They are also a form of online word-of-mouth. Blog articles from respected blog writers provided credibility for the brands. The entrepreneurs of Chao & Eero Jewel had noted that there were numerous tweets about the brand on Twit-

ter but the company itself did not have resources to use Twitter. Overall, the companies used a limited amount of different social media channels or applications themselves but in social media the communication of other parties forms a significant part of the international brand communication. It was especially important in spreading the awareness of the brands and enhancing the reputation. Table 9 summarises the above discussion.

Table 9 The use of social media in international brand communication of case companies

	Chao & Eero Jewel	Costo	Outo	Saint Vacant
Time used for social media	10h/week	5h/week	1h/week	3h/week
Purpose of using social media in international brand communication	<ul style="list-style-type: none"> • Public relations • Awareness creation • Reputation building • Networking 	<ul style="list-style-type: none"> • Public relations • Awareness creation • Image creation 	<ul style="list-style-type: none"> • Public relations • Increase the reach of brand communication • Remind consumers of the brand • Image creation • Feedback channel 	<ul style="list-style-type: none"> • Public relations • Awareness creation • Personality creation • Remind consumers of the brand • Connection to consumers
Communication with consumers in social media	<ul style="list-style-type: none"> • Important • Communication understood widely • Company communicates with consumers outside own channels too 	<ul style="list-style-type: none"> • Communication from consumers is welcome but not seen as an important channel 	<ul style="list-style-type: none"> • Communication from consumers is welcome but not seen as an important channel 	<ul style="list-style-type: none"> • Important • Communication understood widely
Advantages of social media	<ul style="list-style-type: none"> • Cost-effective • Enables mobility • Easy to use 	<ul style="list-style-type: none"> • Cost-effective, • Consumers use social media 	<ul style="list-style-type: none"> • Cost-effective • Fast 	<ul style="list-style-type: none"> • Cost-effective • Direct • Fast
Challenges	<ul style="list-style-type: none"> • Lack of resources and time • Line between personal and company use might blur • Need of commitment 	<ul style="list-style-type: none"> • No clear challenges for the company • Difficulty of differentiation • Increasing amount of spam 	<ul style="list-style-type: none"> • No clear challenges for the company • The risk of losing reputation understood 	<ul style="list-style-type: none"> • Lack of resources and time
Planning of international brand communication in social media	Intangible, general strategy that serves as a frame for actions in social media	No clear strategy but concentration on visual content	No clear strategy but content evaluated and planned before publishing	Intangible, general strategy that serves as a frame for actions in social media

Integration with other brand communication channels	<ul style="list-style-type: none"> • Events connected to social media • Company website linked to social media • Articles linked to social media 	<ul style="list-style-type: none"> • Events connected to social media • Company website linked to social media • Social media elements on company website • Articles linked to social media 	<ul style="list-style-type: none"> • Events connected to social media • Company website linked to social media • Social media elements on company website • Articles linked to social media 	<ul style="list-style-type: none"> • Events connected to social media • Company website linked to social media • Articles linked to social media
Follow-up of brand communication in social media	<ul style="list-style-type: none"> • Statistics • Discussions 	<ul style="list-style-type: none"> • Statistics • Discussions 	<ul style="list-style-type: none"> • Statistics • Discussions • Feedback 	<ul style="list-style-type: none"> • Statistics • Discussions
Brand communication channels in social media	<ul style="list-style-type: none"> • Facebook • Twitter • Blogs 	<ul style="list-style-type: none"> • Facebook • Blogs 	<ul style="list-style-type: none"> • Facebook • Twitter • Blogs 	<ul style="list-style-type: none"> • Facebook • Blogs

6 CONCLUSIONS

6.1 Theoretical implications

The aim of this study was to examine the use of social media in international brand communication of small Finnish design-intensive companies. In order to answer the main objective, it was divided into three sub-objectives. The results of this study provide theoretical implications for SME branding research and social media research. The theoretical implications are discussed in the order of sub-objectives.

The first sub-objective was to **examine the international branding strategies of small Finnish design-intensive companies**. The theoretical framework included three different elements of the international branding strategy. The first element was **brand structure**. Keller (2003) and Krake (2005) recommend SMEs to have a simple brand structure and concentrate on building only one or two strong brands in order to prevent scattering the customer awareness and budget. The results support these propositions. It was established that limited resources hinder branding activities in small design-intensive companies. Developing and managing multiple brands could have been overwhelming for the case companies. The findings strengthen the results of earlier empirical studies which have shown that Finnish design-intensive SMEs targeting consumers seem to favour branding strategies relying on a single brand (Gabrielsson 2005, Falay et al. 2007) as all case companies had simple brand structures. The decision on a simple brand structure seemed to be guided by the vision of the entrepreneurs rather than extensive research.

The brand structure was **corporate-driven** in all case companies. The theoretical framework partly supports this. The general branding strategy suggests that corporate-driven brand structures are found in companies that have a limited range of products and target a well-defined market niche. The case companies had a limited range of products which were strongly connected to each other. The target on the other hand was not clearly defined in all case companies. The theoretical framework claimed that a corporate-driven structure suits companies that want to have simple brand management and unite resources rather than dividing them. As said before the brand structure seemed to be guided by the inner vision of the entrepreneur rather than analytically evaluating different brand structures. But based on the results and limitations of the companies, the corporate driven brand structure seems to be suitable for small design-intensive companies on an international level. Laforet and Saunders (1994) have argued that a true corporate-driven brand structure is rare in companies but in the light of the results of this study it could be expected that the corporate-driven strategy is common in small design-intensive companies.

The theoretical framework and earlier empirical findings (Rode & Vallaster 2005; Juntunen et al. 2010) suggested that corporate brands (especially corporate identity) in SMEs tend to be built around the entrepreneurs especially in the early phases of the company. This proved to be partly supported by the results. At Chao & Eero Jewel and Outo the entrepreneurs were an important part of the brand identity whereas at Costo and Saint Vacant the entrepreneurs were not so visibly part of the brand. But also at Costo and Saint Vacant the background of the entrepreneurs served as the foundation for the brand. Moreover, the results established that the brand building in small Finnish design-intensive companies is strongly affected by the values and the vision of the entrepreneurs. The entrepreneurs followed their clear visions in brand development. This is in accordance with the theoretical framework which proposed that brands in SMEs are based more on the intrinsic thoughts of the entrepreneur than on extrinsic research (Spence & Essoussi 2010).

The second element of the branding strategy was the **branding approach** of the case companies. Findings from earlier studies have established that SME brands can simultaneously address both functional and symbolic needs of customers (Mowle & Merilees 2005, Spence & Essoussi 2010). This was also identified among the case companies. In addition, the results propose that design-intensive SMEs can use both product- and marketing-driven approaches in international branding. In the case companies the value proposition of the brand was strongly connected with the values of the entrepreneurs. This underlines again the importance of the entrepreneur in the brand building process.

The final perspective to international branding strategy was the **standardisation of the core essence** across markets. The degree of standardisation has raised a lot of discussion among scholars and it has been researched widely but the perspective of SMEs lacks examination. The findings of this study are in line with earlier empirical findings on Finnish design-intensive companies (Gabrielsson 2005, Falay et al. 2007) which indicate that design-intensive companies targeting consumers are likely to aim at having a standardised core essence across markets. All case companies had a standardised core essence across markets and it seemed like a natural and easy choice for the case companies. The main reason for a standardised strategy was the strategic aim of having a unified brand image across markets. The case companies had not recognised a need to alter the core essence or the story of the brand. The findings imply that standardising the core essence of the brand is a suitable option for design-intensive SMEs. The brand communication in turn was adapted to some extent. This supports the proposition of de Chernatony, Halliburton and Bernath (1995) that the degree of standardisation of the core essence and brand execution can differ from each other and they should be treated individually. The standardisation of the brand communication is discussed separately in the following section.

The second sub-objective was to **examine the international brand communication of small Finnish design-intensive companies**. It was examined from three different perspectives. First, the **international brand communication channels** of the case companies were examined. The case companies found traditional brand communication channels expensive, ineffective and not suitable for their needs. Instead they seemed to prefer unconventional and innovative brand communication means on an international level. These findings are consistent with the theoretic recommendations and results from earlier studies (Falay et al. 2007; Bresciani & Eppler 2010; Löfroos 2010). The case companies used the same channels (international fairs, internet, word-of-mouth, articles) which have been identified in earlier studies on Finnish design-intensive SMEs (Gabrielsson 2005, Falay et al. 2007, Löfroos 2010). The results further strengthen the proposition that international fairs are an important brand communication channel for design-intensive SMEs targeting international markets (Gabrielsson 2005, Falay et al. 2007, Löfroos 2010). They are important in creating the communication network to buyers and press. In addition, the case companies had benefitted greatly from magazine coverage. This can be seen as one form of getting access to the 'taste elite' introduced by Falay, et al. (2007). Overall, the results are in line with the suggestion that word-of-mouth is a relevant brand communication activity for SMEs (Bresciani & Eppler 2010).

Secondly, the **standardisation of brand execution** across markets was studied. The results of this study suggest that small design-intensive companies seem to standardise their international brand communication to a great degree. However, also SMEs encounter differences between markets that require adaptation and they need to evaluate how much effort is put to adapting the communication. It seemed that adaptation could have been greater in some case companies if they would have had the resources and skills needed. Therefore, one reason for the high degree of standardisation is a lack of resources. Differences in culture and business practices between markets seemed to be the main factors pulling towards adaptation. The main brand communication channels (international fairs, internet and social media) were global channels and this might have had an influence on the high degree of standardisation in international brand communication as Gabrielsson (2005) has suggested that using media which is global in nature facilitates design-intensive SMEs to create a standardised brand image.

Finally, the **challenges in international brand communication** were studied. Drawing from the results of this study, a lack of resources, time and experience create challenges for design-intensive SMEs on an international level. Based on the findings from this and earlier empirical studies, it can be argued that due to the lack of financial resources SMEs cannot use different brand communication channels as extensively as large organisation and they need to concentrate on fewer channels. In addition, the limited budget makes creativity in using affordable communication a crucial part of in international brand communication. These propositions are in accordance with the theo-

retical framework which claimed that brand communication in SMEs is affected by the budget and creativity.

The lack of time is connected with the small size of the companies. In SMEs the amount of employees is limited and one person might be responsible for multiple issues and time given for brand communication might be low. Especially in micro sized companies the employees might not have time to concentrate on international brand communication as other daily activities take the time. For example, three of the case companies employed only the entrepreneurs and among other business activities they could use only a limited time for international brand communication.

The lack of experiences was another challenge in the case companies. The results indicate that if the SME does not have an experienced entrepreneur or employee, the international brand communication develops through trial and error. This might lead to financial misinvestment like in one case company. In addition, a lack of skills hindered the adaptation of brand communication at least in one company. All entrepreneurs had also acknowledged a need for native contacts in order to have better information on the target market and overcome the lack of skills. Overall, the adaptation needs of different markets created challenges for the case companies that aimed for a standardised brand image.

The third sub-objective was to **examine how social media is used in international brand communication of small Finnish design-intensive companies**. The theory on social media as a brand communication channel is still underdeveloped and a research gap exists. The results of this study contribute to the development by offering the perspective of SMEs and insights of their use of social media on an international level. These results can be taken into account when creating theoretical models or planning further research.

First of all, the results of the questionnaire established that the use of social media in international marketing among small Finnish design-intensive companies is already common. In addition, many different forms of social media were used. Some companies were even using several channels simultaneously. Based on the future plans of the companies the use of social media can be expected to grow among small Finnish design-intensive companies.

The use for international brand communication was examined in more detail through four case companies. It was established that social media can be **used for various purposes** in SMEs. In line with the theory, social media was a cost-effective way for the case companies to build the image, credibility and awareness of the brand. In addition, for small companies it is an important PR-channel where to inform stakeholders of the latest news because small companies do not get similarly publicity in traditional media as large organisations. The results suggest that SMEs can publish different kind of content without contradiction. The case companies published, for example, promotional

messages, announcements and informal messages in social media. The results strengthen the proposition that social media is a place for e-word-of-mouth. Companies can try to foster word-of-mouth in social media by providing content in which consumers can react upon.

The findings indicate that social media is a **communication channel between consumers and SMEs**. The case companies communicated with consumers and followed their actions in order to understand them better. This was also widely recognised in the theoretical framework as one of the main ways of increasing the understanding of consumers in social media. In addition, it was suggested that companies should try to involve consumers in the brand development in order to engage them to the brand. This was almost non-existent in case companies and it might suggest that the companies want to be in control of their brand in social media or that they do not know how to engage consumers. The attempts of Costo to involve consumers in the creation of visual content can be seen as one way of engaging consumers. Overall, it seems that the companies did not yet see consumers as co-creators of the brand.

All case companies found the use of social media in international brand communication easy. However, the companies had noted that the activities in social media need **planning**. This is in line with the theoretical framework which argues that companies should create a social media plan and policy if the company wants to have a coherent image in social media (Kaplan & Haenlein 2010). The planning in the case companies was rather informal and it seemed that the values and vision of the entrepreneurs were once again guiding the actions of the companies. However, Kaplan and Haenlein (2010) and Leino (2010) have proposed that companies should not even aim at being perfect or too polished in social media. Mirroring this proposition with the results of this study, the advantage of SMEs in social media can be that they can keep the brand communication natural and genuine. Another advantage might be that as the international brand communication in small companies is mostly handled by a limited amount of people, the communication stays easily consistent and coherent between different channels.

The case companies had understood that in social media the **content** has to be interesting and pushing only promotional messages will not work. The findings indicate that the companies had understood that social media requires its own content and publishing only existing messages is not enough as the theoretical framework claimed (Kaplan & Haenlein 2010). In addition, the companies had acknowledged that in social media the consumers are more critical towards the content as argued in the theoretical framework (Leino 2010). Mangold and Faulds (2009) recommend that companies should even offer something exclusive for the online followers but this was not common in the case companies. It seemed that the companies believed that keeping the content interesting is enough.

The case companies used only **a limited number of social media forms** themselves but drawing from the results of this study the brand communication in social media is a larger entity and includes the communication of other parties. For example, blog articles and actions of consumers can be seen as a part of this larger circle of brand communication. This can be regarded as an extension of traditional word-of-mouth communication (Mangold & Faulds 2009). The companies cannot control what is written about them or their brands but they can try to collaborate with bloggers in order to get their brand messages through, for example. The number of used social media forms was limited in the case companies because they did not have resources and time to use more channels. Moreover, the companies understood that social media requires commitment like earlier empirical results (Bulearca & Bulearca 2010) and the theoretical framework proposed (Kaplan & Haenlein 2010).

The case companies **followed** the international brand communication in social media but evaluating the importance of social media or its results was difficult. This might imply that either the follow-up means are not good enough or the companies did not perform follow-up activities adequately. The case companies appeared to measure the results of international brand communication rather superficially which indicates that the latter reason is more suitable in this case. The case companies had a lot of information available but analysis was constrained due to the lack of resources. This might also indicate that there are no suitable tools for SMEs to use in evaluating the successfulness of international brand communication in social media. Moreover, the results established that analysing statistics is the most important follow-up activity in small companies.

The case companies **appreciated** the cost-effective nature of social media as an international brand communication channel. To be precise social media was seen as a free channel that requires only time. However, the case companies might be underestimating the opportunity costs because they cannot be seen directly through their bank accounts. Social media was also valued because it provides a direct communication channel to the consumers. However, in social media companies need to make the consumers come to the brand and brand communication cannot be forced on the consumers.

The case companies had not faced any major **challenges** with social media. This might be because they used social media rather informally and seemed to understand the uncontrollable nature of social media. The entrepreneurs were rather humble and followed their values in social media which might have helped them to avoid the reputational risks proposed in the theoretical framework (Aula 2010). In addition, the companies had not faced problems with consumers uploading harmful content on their social media sites which was introduced as another risk in the theoretical discussion (Clauser 2001; Wunsch-Vincent & Vickery 2007).

Overall, social media as a brand communication channel seems to suit SMEs well. It is a channel that does not require intensive training or substantial financial investments.

Therefore, SMEs can start using it rather easily. In addition, it seems that especially micro sized companies can easily control their communication and keep it consistent in social media. Thus, the results of this research imply that social media is a suitable channel for SMEs to use in international brand communication. However, it appears that the full potential of social media was not used in SMEs and the lack of results is the main issue limiting the full use of social media.

Naturally, all propositions and findings need further testing to be verified as this was more of an introductory research on the use of social media in international brand communication in SMEs. In addition, the case studies were conducted in micro size design-intensive companies and the findings might not apply for larger SMEs or to other industries.

6.2 Managerial implications

This research provides insights to branding practices of SMEs on many levels. The theoretical discussion of results provided already many managerial implications as this study was conducted from the managerial perspective. This discussion concentrates more on the implications specific for design-intensive SMEs.

Based on the results, it appears that design-intensive SMEs face problems in international branding and brand communication. One of the biggest challenges is the lack of resources. In order to overcome this challenge SMEs should evaluate in depth which brand structure suits the resources of the company because it affects largely other decisions concerning the international branding strategy and communication. When the company has a simple brand structure consisting of only one brand, all efforts can be put to develop this brand. This does not mean that design-intensive companies could not have other brand structures but they need to evaluate their own resources carefully.

Design-intensive companies have to consider also how they want their brands to be perceived across markets. They should decide if they aim at a standardised image across markets or if they want to adapt the brand to suit the needs of individual markets. A standardised strategy might be easier for companies that face resource constraints but they should realise that the brand communication might inevitably require adaptations to some degree.

Following the inner vision and values of the entrepreneur appears to be a strong guiding force in the overall branding of design-intensive companies. On the one hand entrepreneurs should benefit from this and understand that following one's own instincts can offer direction for activities. On the other hand the entrepreneurs should be conscious of the effect and try to evaluate their decisions from other perspectives too. But overall, the values of the entrepreneur should be in line with those of the brand.

Finnish design-intensive companies should consider linking the country-of-origin to the brand because it has the possibility of enhancing the image and communication of the brand at low-cost. Especially companies targeting Japan should evaluate this opportunity carefully. But on the other hand it is possible for Finnish design-intensive companies to create an international image successfully, too.

For design-intensive companies international fairs, the internet and word-of-mouth in its different forms are useful and suitable channels for international brand communication. Receiving magazine coverage facilitates the awareness creation and creates credibility for the brand. Companies can try to create connections to press especially in international fairs. Once a company receives publicity in magazines or blogs, the company should integrate it to its own brand communication. Collaborating with others can also be means to overcome the challenges resulting from a lack of resources.

Social media is another possible brand communication channel for design-intensive SMEs. It offers a cost-effective channel for companies. Another advantage of social media for design-intensive companies is that it does not require great financial investments or extensive training. The communication in social media does not need to be perfect but it should be consistent. Therefore, companies need to be ready to plan the activities in social media and invest time in it.

Before joining companies should ponder whether using social media is in line with the company culture and if the company truly realises the nature of social media. Companies are required to learn the communication norms in social media and commit to the use. Thus, it might be easier to concentrate on a few social media channels at first and learn how they work. In addition, companies should understand that they cannot control consumers in social media but instead they should try to discuss and listen to them. They should try to find means to engage consumers in the communication.

6.3 Suggestions for further research

This research examined the use of social media within Finnish design-intensive companies that produce consumer goods. Moreover, the case companies were companies that targeted either only consumers or consumers and businesses in their marketing. In order to gain a larger perspective on the topic, it would be interesting to study how service companies or companies that target solely other businesses use social media in brand communication. In addition, research on how the brand communication on social media affects the perceptions of the brand in the minds of consumers would be useful although it might be difficult to conduct.

As the case companies belonged to the design industry, similar research in other industries could provide information on whether the findings of this research are specific

to design-intensive companies or apply to a wider group. Alternatively, similar research in other countries could inform if design-intensive companies elsewhere view and use social media similarly. In addition, research on larger SMEs could provide different results as this study was conducted from the perspective of micro sized companies.

Due to a lack of resources and time this study was a cross-sectional study. A longitudinal study that would concentrate on how the use of social media in brand communication develops over time would be highly interesting and it could offer insights on how companies can develop the use of social media step by step. Overall, this study was more an introduction to the use of social media and provides a starting point for deeper research on the elements handled in this study. For example, studying in depth how SMEs communicate with consumers in social media is one of the elements that could be interesting and beneficial for the field. Larger and more detailed study is needed to test the propositions of this research.

Overall, research that aims at theory formation would be especially beneficial because specific theories on the use of social media in SMEs is lacking. Moreover, the international perspective of SME branding is still an under-researched area although this study tried to lessen this gap. To conclude it could be even argued that because the research gap on SME branding from international perspective and on social media in branding is wide, all research on the area would be beneficial to the development of the field.

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Theme interviews:

Ville Lahtinen, Outo Wear & Gear Oy, owner-manager, 16th of May 2011.

Eero Hintsanen, Chao & Eero Jewel Oy, owner-manager, 17th of May 2011.

Anders Bengs, Costo Oy, owner-manager, 20th of May 2011.

Janne Lax, Saint Vacant Oy, owner-manager, 6th of June 2011.

APPENDICES

Appendix 1 **Earlier empirical studies on SME branding**

Author(s)	Year	Name	Main empirical findings
Wong, Ho Yin – Merrilees, Bill	2005	A brand orientation typology for SMEs: a case research approach	<ul style="list-style-type: none"> - SMEs interpret branding narrowly - SMEs believe branding is for large companies - Branding activities differ in SMEs and large organisations.
Krake, Frank B.G.J.M.	2005	Successful brand management in SMEs: a new theory and practical hints	<ul style="list-style-type: none"> - Brand management is not given the importance it requires - The central role of the entrepreneur in branding in SMEs - SMEs face diverse challenges in branding; limited budget common
Rode, Verena – Vallaster, Christine	2005	Corporate branding for start-ups: the crucial role of entrepreneurs	<ul style="list-style-type: none"> - The important role of the entrepreneur in developing the corporate brand in start-ups - The corporate brand is created around the entrepreneur
Mowle, James – Merrilees, Bill	2005	A functional and symbolic perspective to branding Australian SME wineries	<ul style="list-style-type: none"> - SMEs can successfully use different branding approaches - SME brands can be complex and have both functional and symbolic benefits
Ojasalo, Jukka – Nätti, Satu – Olkonen, Rami	2008	Brand building in software SMEs: an empirical study.	<ul style="list-style-type: none"> - Branding goals not clearly defined in Finnish software SMEs - The minor role of brand building in product development - Strong brand a means to facilitate customers acquisition and partnership creation - Cooperation with larger companies to strengthen the brand
Bresciani, Sabrina – Eppler, Martin J.	2010	Brand new ventures? Insights on start-ups' branding practices	<ul style="list-style-type: none"> - The attitude towards branding varied a lot in the case companies - The start-ups conducted a great number of branding activities; specific activities varied between com-

			panies - Traditional brand communication channels seen as ineffective and expensive while unconventional means were preferred
Wong, Ho Yin – Merrilees, Bill	2008	Determinants of SME international marketing communications	- Brand adaptation facilitates shaping the international marketing communications of SMEs
Spence, Martine – Essoussi, Leila Hamzaoui	2010	SME brand building and management: an exploratory study	- Secondary associations, such as the country-of-origin utilised to enhance the brand - Production largely standardised across markets as adaptation was not seen feasible - International brand management consisted of hiring the right agents or distributors and managing them
Gabrielsson, Mika	2005	Branding strategies of born globals	- Brand structure was usually simple due to resource restrictions - Especially many design companies had a global branding strategy from the beginning on - Internet and international fairs important communication channels for design-intensive companies - Branding strategy more important for companies targeting consumer
Falay, Zeynep – Salimäki, Markku – Ainamo, Antti – Gabrielsson, Mika	2007	Design-intensive born globals: a multiple case study of marketing management	- Advertising seen as expensive - Contradiction between design and business processes - Importance of getting access to 'taste elite' - Marketing management a challenge for Finnish design-intensive SMEs
Löfroos, Riikka	2010	The small firm in global markets – a descriptive case study on the internationalization patterns of small design-intensive Finnish firms	- Cost-effective, fresh and innovative marketing methods appreciated - Some small Finnish design-intensive companies already using social media

Appendix 2 Earlier empirical studies on social media in business

Author(s)	Year	Name	Main empirical findings
Haenlein, Michael – Kaplan, Andreas M.	2009	Flagship brand stores within virtual worlds: the impact of virtual store exposure on real-life attitude toward the brand and purchase intent	<ul style="list-style-type: none"> - Consumers do not separate online and offline activities but see both as means of self-expression - Positive attitude towards virtual flagship store affects positively to the attitude towards the real-life brand; strength varies between users
Bulearca, Marius – Bulearca, Suzana	2010	Twitter: a viable marketing tool for SMEs?	<ul style="list-style-type: none"> - Results suggest that Twitter could be viable marketing tool for SMEs - Twitter is platform for e-word-of-mouth and for companies to spread commercial messages - Twitter requires consistency and commitment
Kozinets, Robert V. – de Valck Kristine – Wojnicki, Andrea C. – Wilner, Sarah J.S.	2010	Networked narratives: understanding word of mouth marketing in online communities	<ul style="list-style-type: none"> - There are different blogger characteristics - Bloggers use different strategies when communicating about a marketing campaign - Motivations for bloggers to take part in a marketing campaign are complex and culturally embedded
Xiang, Zheng – Gretzel, Ulrike	2010	Role of social media in online travel information search	<ul style="list-style-type: none"> - Social media make a considerable amount of travel related search engine results
Reyneke, Mignon – Pitt, Leyland – Bert hon, Pierre R.	2011	Luxury wine brand visibility in social media: an exploratory study	<ul style="list-style-type: none"> - Most of the brands studied did not seem to have a clearly defined social media strategy - Social media marketing offers opportunities and poses threats for brand managers

Appendix 3 E-mail questionnaire

Answer to the following questions by choosing the option that represents your answer the best or by writing your answer in the given space. When you have answered all of the questions, press "Send". Thank you!

- 1) Is the domicile of the company you are representing in Finland?
 Yes No

- 2) How many employees does the company employ?
 0-4
 5-9
 10-19
 20-49
 50-99
 100-249
 over 249

- 3) What is the company's branch of industry? (Choose the most appropriate or write your own answer)
 Textiles
 Clothing and shoes
 Furniture
 Fabrication of glass, ceramics and stone products
 Lighting
 Jewellery
 Personal tools
 Cutlery and cooking utensils
 Something else, what? : _____

- 4) When was the company founded?

- 5) Does the company export?
 Yes No

- 6) How big percentage of the turnover comes from outside of Finland?(This is an obligatory question) *
- We operate only in Finland
 - 1-5%
 - 6-10%
 - 11-15%
 - 16-20%
 - 21-25%
 - 26-50%
 - 51-75%
 - over 75%
- 7) Does the company plan to start exporting during the next five years?
- Yes No
- 8) When did the company start exporting? (year)
- _____
- 9) How big percentage of the turnover comes from outside of Europe?
- We operate only in Finland
 - 1-5%
 - 6-10%
 - 11-15%
 - 16-20%
 - 21-25%
 - 26-50%
 - 51-75%
 - over 75%
- 10) Of total exports, how big is the percentage of the five biggest markets?
- 1-20%
 - 21-40%
 - 41-60%
 - 61-80%
 - 81-100%
- 11) Is the company targeting consumers or companies in its international marketing?
- Consumers Companies Both groups

- 12) Does the company use the following internet channels in its international marketing? (You can choose multiple options)
- Online communities (such as Facebook, MySpace, LinkedIn...)
 - Videosharing services (Youtube, Vimeo, Viddler...)
 - Photosharing services (Flickr, Picasa...)
 - Microblogs (Twitter, foursquare...)
 - Blogs
 - Podcasts
 - Skype
 - Social bookmarking (Delicious, Digg, Reddit...)
 - Discussion forums
 - Something else, what? : _____
- 13) How many hours does the company use on average on marketing in the previously mentioned internet channels? (Your estimate, take into account also the time used for planning)
- _____
- 14) How big percentage of the time directed to all marketing activities the previously mentioned internet channels take?
- 0%
 - 1-10%
 - 11-20%
 - 21-30%
 - 31-40%
 - 41-60%
 - 61-80%
 - 81-100%
- 15) Is the company planning to increase marketing efforts in the previously mentioned internet channels during the next 12 months?
- No, but decrease
 - No, but keep the same
 - Yes
 - I cannot say / I do not know

Thank you for your answers! Press "Send" before leaving the webpage.

Appendix 4 Interview questions

Background questions:

Name and company:

Position in the company:

Number of employees:

Number of foreign markets (countries):

Describe briefly the story of the company

International branding strategy

1. Has the company consciously aimed at creating a brand/brands?
2. Describe the brand(s) briefly
3. What is the basis of the brand?
4. What are the values of the brand?
5. Is the brand the same across markets?
6. How was the possible internationalisation taken into account in the brand creation process?
7. Has the company used the connection to Finland in international branding?

International brand communication

8. Describe briefly the internationalisation process and the role of brand communication in it?
9. How has the brand communication evolved during the internationalisation process?
10. What are the main brand communication channels internationally?
11. What kind of international brand communication strategy the company has?
12. Is the strategy similar across markets? Or does the company have market specific strategies?
13. Are there differences between markets that affect the brand communication?
14. Are some brand communication activities adapted to local needs? What? How?
15. What kind of challenges has the company faced in international brand communication?

Use of social media in international brand communication

16. What specific social media channels does the company use?
17. How do you use social media in international brand communication?
18. What is the objective of international brand communication in social media?
19. What is the role of social media in the brand building process and in the creation of the pursued image?

20. How important is social media in the international brand communication?
21. How do you plan the activities in social media?
22. How the brand communication activities in social media are followed?
23. How different channels (including social media) are integrated to each other?
24. Does the company use social media to communicate with customers? How?
25. What are the advantages of social media?
26. What kind of challenges have you faced in social media?