

UNDERSTANDING THE ROLE AND NATURE OF BRAND ORIENTATION IN TECHNOLOGY STARTUP PERFORMANCE

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Abstract

Startups have a positive influence on economic growth and development, and thus it is no wonder that they are a timely topic during the Covid-19 pandemic that has mauled over economies all over the world. However, in order for them to have a positive affect they will need to be able to grow. One of the most common barriers for startup success is the inability to treat branding as an important function of the company. This is enhanced by the fact that, the understanding of the concept of startup branding is relatively low compared to the fact that it has been proven to be an important factor.

This qualitative study explores brand orientation in the context of technology startups. Moreover, the goal is to understand the perceived role and nature of brand orientation's effects on technology startup performance. To achieve this the applied methodological strategy is grounded theory with critical realism as the research philosophy. Moreover, eight semi-structured interviews were used as the primary data collection method combined with extensive literature review mapping the extent stage of academic research. The interviewees were split into two groups: 1) those working for technology startups, and 2) those working in close connection and advising technology startups.

The findings of this study clearly indicate that the affect brand orientation has on technology startup performance is positive, but the concept is unclear and thus the contribution also unclear. When perceiving branding technology startups have different opinions on what brand itself is, the longitudinal nature of brand, and applicability to oneself. Founder's important role in brand orientation was clear. Moreover, the perceived effect of brand orientation to performance was hindered by the unclarity of the concept. There were clear distinctions between at what stage branding starts to affect performance, whether or not it is important to oneself, and the indirect inter-functional motivating effect to the startup performance.

This thesis demonstrates that currently technology startups are not using branding as a tool to create value. According to this thesis the most common reason for this is the unclarity of the concept that does not identify clear steps for the startups to do in order to use the full potential of its brand. Thus, the biggest practical implication of this thesis is the contribution to understanding the concept and concluding it into more concrete points.

This thesis contributes to the gap in academic literature on startup branding. There was no other academic research found on this specific topic but rather only on branding in a bigger context of SMEs. Moreover, this thesis brings insights to brand orientation research with deeper understanding on brand barriers and the gap between what research knows and what is actually happening in the field.

Keywords brand orientation, startup, performance, startup branding, grounded theory

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Tiivistelmä

Kasvuyrityksillä on positiivinen vaikutus taloudelliseen kasvuun ja kehitykseen. Covid-19 pandemian runnoessa taloutta ympäri maailmaa kasvuyritykset ovatkin ajankohtainen aihe. Kasvuyritysten tulee kuitenkin pystyä kasvamaan, jotta koko talouden positiivinen kehitys saavutetaan. Yksi yleisimmistä esteistä kasvuyrityksen menestykselle on kyvyttömyys ymmärtää brändin merkitys yrityksen menestykselle toiminnalle. Vaikka brändi on tutkitusti identifioitu tärkeäksi menestystekijäksi, ymmärrys brändistä kasvuyritysten kontekstissa on edelleen heikkoa.

Tässä tutkimuksessa tarkastellaan brändiorientaatiota teknologia-alan kasvuyrityksissä laadullisen tutkimuksen keinoin. Tutkimuksen tavoitteena on ymmärtää brändiorientaation rooli ja luonne kasvuyritysten suorituskyvyssä. Tutkimuksen metodologiseksi strategiaksi valittiin ankkuroitu tutkimus. Tutkimuksen filosofia on kriittinen realismi. Tutkimusaineisto kerättiin pääasiassa kahdeksan puolistrukturoidun haastattelun avulla. Tämän lisäksi suoritettiin tarkka, jo olemassa olevien tutkimusten läpikäynti, ja samalla kartoitettiin aiheeseen liittyvän tutkimuksen nykytila. Tutkimuksen haastateltavat jakautuivat kahteen ryhmään: 1) kasvuyrityksissä työskentelevät, ja 2) kasvuyritysten kanssa tiiviisti työskentelevät ja heitä neuvovat tahot.

Tutkimuksen tulokset osoittavat, että brändiorientaatiolla on positiivinen vaikutus teknologiakasvuyritysten suoritukseen, mutta konsepti on vielä epäselvä ja vaikutukset täten myös epäselviä. Teknologiakasvuyrityksillä on eroavia mielipiteitä siitä mistä brändi koostuu, mikä on sen aikaan ja pituuteen liittyvä luonne, ja kenen tulisi kiinnittää siihen enemmän huomiota. Yritysten perustajilla oli brändiorientaation osalta selvä ja tärkeä rooli. Lisäksi käsitteen epäselvyys häiritsi ymmärrystä brändiorientaation koetusta vaikutuksesta suorituskykyyn. Tulosten perusteella oli havaittavissa selkeitä eroja siinä, millä tasolla brändityön alettiin ymmärtää vaikuttavan suorituskykyyn, koettiin brändityö tärkeäksi juuri itselle, sekä minkä välillisten sisäisten motivaatioiden kautta brändiorientaatio vaikuttaa kasvuyrityksen suoritukseen.

Tämä tutkimus osoittaa, että teknologiakasvuyritykset eivät tällä hetkellä käytä brändiä työkaluna, joka luo arvoa. Syy tälle on tutkimustulosten mukaan nimenomaan konseptin epäselvyys sekä puutteelliset konkreettiset toimenpiteet, joita kasvuyritys voisi toteuttaa saavuttaakseen brändin tuoman potentiaalin. Täten tämän tutkimuksen suurin käytännön kontribuutio olemassa olevaan kirjallisuuteen on sen vaikutus käsitteen ymmärtämiseen ja sen konkretisoimiseen, minkä avulla kasvuyritysten on helpompi toimia.

Tämä tutkimus kontribuoi kasvuyritysten brändäykseen liittyvään akateemiseen kirjallisuuteen. Aikaisempi tutkimus on keskittynyt tutkimaan brändäystä lähinnä PK-yritysten kontekstissa, eikä eksplisiittisesti kasvuyrityksissä. Lisäksi tämä tutkimus tuo uusia oivalluksia brändiorientaatiotutkimukseen kuvailemalla tarkemmin brändiesteitä ja kuulua tutkimuksen ja todellisuuden välillä.

Avainsanat brändiorientaatio, kasvuyritys, suorituskyky, kasvuyritys brändäys, ankkuroitu tutkimus

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1. INTRODUCTION

The year 2020 showed us once again the vulnerability of our economy as Covid-19 virus is sweeping over the world forcing people to social distancing. People avoiding social contacts and the pandemic forcing businesses to close led to a huge economic decline, and many young and old ventures were forced to close their doors and re-evaluate their business models.

Since the 1950s research has shown the positive affects startups have towards economic growth and development (Adler et al., 2019; Aghion & Howitt, 1992; Floud et al., 1991; Nelson, 1986; Solow, 1956; Taylor et al., 1993). Thus, it is not a wonder that investing in startups is one of the most effective ways to recover from recession (Kollmann et al., 2017). Nevertheless, the famous statistic stating that nine out of ten startups fail stays put (Shi & Miles, 2019).

One of the problems that startups on the edge of success seem to face is the inability to take their vision onwards after the first phases (Ruzzier & Ruzzier, 2015). This indicates a narrow understanding of brand and its instrumental role in creating sustainable competitive advantage (S. K. Lam et al., 2010; Ruzzier & Ruzzier, 2015). In fact, startups' inability to see brand as part of their most important functions has been identified to be one of the most common mistakes startups make (Bresciani & Eppler, 2010; Mizera & Risch, 2018).

Brand is one of the corner stones for successful startups as it keeps the startup intact with its strategy and purpose (Iyer et al., 2018; Mizera & Risch, 2018; Ng et al., 2017; Ruzzier & Ruzzier, 2015). In other words, brand is at the heart of the company keeping it on track to achieving the goals it originally set to achieve, and stay afloat (Mizera & Risch, 2018). There is a significant potential in branding for startups that is currently not harnessed. Until that happens, lack of branding remains to be a significant factor leading to high failure rates in startups (Shi & Miles, 2019).

This thesis aims to understand the attitudes towards branding and how they are affecting technology startups' performance. Moreover, the aim is to understand the mismatch between what the research shows and what the startups are actually doing. Thus, as a side product also revealing some of the important brand barriers technology startups face in their daily lives. The phenomenon is explored from both the viewpoint of the founders and startup employees, but also from the perspective of those closely contributing and analyzing startups in action to accomplish comprehensive view of the topic.

As any good thesis topic, also the topic of this thesis originates from a personal interests (Eriksson & Kovalainen, 2015). And thus, stating the motivation to write this thesis without the reasons behind the personal interest towards the topic would give an incomplete picture of

the motivations behind it. During the last four years entrepreneurship and different forms of branding have played a big role in my personal life. My experiences have shown the struggle of trying to introduce and summarize the benefits of branding for startups struggling with scarce resources. Moreover, I have personally witnessed startups failing to implement any branding activities and facing the struggles of realizing this too late.

These experiences have led me to seek deeper understanding on the topic. This thesis acts in its own way as a scientific evaluation for the observations and learnings I have gained during the few years working closely with and within technology startups and branding. With this thesis I wish to make the branding for startups clearer to a wider audience but also gain insights to how to get the most out of branding as a startup.

1.1 Background and research problem

Traditionally, branding research has focused on big companies with topics such as brand architecture and brand revitalizing that are not relevant to startups (Bresciani & Eppler, 2010). While branding research overall has long traditions, the research on startup branding is considered to have started when Abimbola (2001) examined branding in SME context. This has initiated conversation in academic research first about differences between branding in small and medium sized companies (SMEs) and big corporations, and later between startups and big corporations (Odoom et al., 2017).

By now, branding research has accomplished that there is a difference in what branding is for startups compared to what it is for a more established firms (Merrilees, 2007; Rode & Vallaster, 2005; Wong & Merrilees, 2005), and that brand has a crucial role in startup success (Mizera & Risch, 2018). However, the unclarity of the concept of branding has left it with relatively shallow awareness amongst startups and often times mistakenly perceived as something luxurious only bigger companies have money to do (Bresciani & Eppler, 2010; Mizera & Risch, 2018). Every business has a brand no matter if they acknowledge it or not (Wong & Merrilees, 2005).

Branding for startups has its own characteristics as startups overall have from bigger corporations. Most startups are founded with only one product, and thus, often have only one brand (Shi & Miles, 2019). Moreover, startups are under more specific branding needs (Bresciani & Eppler, 2010). **First**, due to their highly restricted resources in terms of financial capital (Abimbola, 2001), human capital and know-how (Ng et al., 2017; Rode & Vallaster, 2005), and time (Wong & Merrilees, 2005). **Second**, due to their inherent need to build reputation and identity (Petkova et al., 2008), and internal structures and processes (Rode & Vallaster, 2005) where there are none. And **third**, due to branding's important role in acquiring

customers and the startups' fundamental need to find new clients (Boyle, 2003; Bresciani & Eppler, 2010).

Furthermore, it is known that branding plays a crucial role in the success of a startup (Bresciani & Eppler, 2010; Rode & Vallaster, 2005). With all this in mind, it would make sense that the amount of research done on startup branding would have increased during the past years. This is not the case, and current research still lacks coverage on some of the most basic branding topics for startups. On the other hand, the field of research on SME branding has taken wind during recent years and is at least partly contributing to the research on startup branding. However, SME and startup do not mean the same and the gap in startup branding research stays. Overall, startups as a context has only relatively scarce amount of research. This is perhaps due to the fast phase of the industry making it more appealing to find faster ways to make sense of the problems. Moreover, this leads to topics that are adopted to startup context but might have been separately researched with different terms in other research contexts.

Current research on startup branding focuses on the brand building and development with most of the research done as a qualitative research (Odoom et al., 2017). However, Odoom et al. (2017) mapped the branding themes and methodologies used in research revealing a visible lack of qualitative research on branding as a strategy. To highlight this gap, there is a lack of research of the concept of brand orientation in startups. While brand orientation has increasing amount of research papers focusing on SME context startups have never been studied exclusively as the context. This thesis sets to fill this gap and explore brand orientation in startups as a qualitative research exposing the gap between what research show and what startups are doing. Furthermore, there is no previous research on startup branding specifically on technology field.

1.2 Objectives and research question

This thesis contributes to research by first providing more insights on scarce amount of research done on startup branding and, secondly, by being amongst the first ones to use qualitative methods to research brand as a strategy for startups. Moreover, the relationship between brand orientation and firm performance has not previously been studied in startup context.

The main research question of the thesis brings together two main themes of the thesis: brand orientation and firm performance. Throughout the thesis the relationship between these serves as the main scheme. The underlying question and main research question of this thesis aims to form an objective picture of brand orientation and its effects on technology startup performance. The main research question is as follows:

RQ: What is the role of brand orientation in technology startup performance?

This main research question is moreover supported by two sub-questions. The sub-questions aim to reveal how branding is perceived by the technology startups. These sub-questions do not yet aim to find the objective answers to the questions but rather layout the reality of how technology startups are truly looking at it. First sub-question focuses on brand orientation and aiming to accomplish better understanding of how brand is viewed in technology startups and what brand orientation for technology startups means. The second sub-question focuses on how startups perceive the active effects of branding on their performance.

SQ1: How technology startups perceive branding?

SQ2: How technology startups perceive that branding affects their performance?

1.3 Outline of the thesis

The remainder of the thesis is divided into 5 chapters. The next chapter of this thesis, namely Literature review, explores the research already done on the topic at hand. It starts by explaining the key definitions of the thesis and continues to discuss the relevant existing literature proceeding this thesis. The chapter then ends with showcasing the framework of the thesis. This chapter is the base for the whole thesis and helps in the aim to complement the understanding already accomplished by previous research.

The third chapter, namely Data and Methods, introduces the methods used and data gathered in this thesis. This is then followed by chapter four, namely Findings, where the data collected is introduced. Moreover, the fifth chapter, namely Discussion, goes deeper into analyzing the gathered data. Lastly, chapter 6, namely Conclusions, brings together everything presented during the previous chapters and outlines the contributions and findings accomplished by the thesis. The last chapter also gathers the thesis from a practical point of view and gives suggestions for the future research.

2. LITERATURE REVIEW

This chapter presents the relevant literature on technology startup brand orientation and performance. The chapters goal is to lay the base for the creation of advanced knowledge and to facilitate development in the field (Webster & Watson, 2002). The following chapters of this thesis then build on top of what is presented here.

The chapter is divided into four sections. First, the key terms and their definitions are discussed. Second section describes the existing research on brand orientation starting from the origins of the concept and going deeper into what is known about startup brand orientation. Third section discusses startup performance with focus on technology industry. Lastly, these two concepts are combined in the last subsection of the chapter that also introduces the final framework of the thesis.

2.1 Definitions of key terms

This section introduces the thesis' key terms and their definitions. This also sets the level of understanding of the terms for when they are later used in the thesis. Having said that, the information given in this chapter is not the limit of the terms but rather the understanding required to understand the rest of the paper.

Startup

Kollmann et al. (2017) define a company as a startup if it is younger than 10 years and features innovative technologies and/or business models, and/or strives for significant employee and/or sales growth. This is also the definition used in this thesis. Moreover, startups are designed to effectively develop and validate scalable business model (Katila et al., 2012).

Having said that, some of the research referred in this thesis uses terms such as young SME (small and medium sized companies) or young venture to describe what in this research has been identified as startup. In other words, all startups are SMEs but not all SMEs are startups. Similarly, some exclusive terms such as *born global* or *unicorn* exist in literature. These refer to a specific type of startups. Moreover, different styles of writing the term exist, such as start-up or start up, but they are merely synonyms referring to the same concept as the word startup.

Brand

Across the field there are variations of definitions from including only firm's visual elements, name and the logo to it including all intangible resource that the firm can use to create value to

simply being the identity of a firm (Mizera & Risch, 2018; Ponsonby–McCabe & Boyle, 2006; Ruzzier & Ruzzier, 2015). The increasingly common interpretation nowadays is to see brand in more deeper level including both socio-psychological and aesthetic factors (Levy & Luedicke, 2013). Urde et al. (2013, p. 14) described brand “as a resource and a strategic hub of the company”. What is common to most of the brand definitions is its two-dimensional nature tying together both internal and external aspects (Rode & Vallaster, 2005; Urde et al., 2013; Wong & Merrilees, 2005).

Pivot

Pivot refers to “a structured course correction designed to test a new fundamental hypothesis about the product, strategy, and engine of growth.” (Ries, 2011, p. 149). Pivoting shifts the focus from planning to experimentation (Hampel et al., 2020). There are many types of pivots that focus on different areas in the business including zoom-in pivot, zoom-out pivot, platform pivot, and technology pivot (Ries, 2011).

The need for pivot is especially heightened when a startup in high phase industry has to make technological decisions based on assumptions rather than clear requirements (Bohn & Kundisch, 2020). Moreover, the ability to pivot fast is often described as one of the fundamental differences between startup and a bigger company (García-Gutiérrez & Martínez-Borreguero, 2016). While pivoting is an important strategic practice for many new ventures and a common word to hear in startup communities, it is not solely restricted to new ventures but can be done by ventures of all types and sizes (Hampel et al., 2020; Ries, 2011).

Investment round

Investment rounds (i.e., funding round) refer to a set of acquired external funding (Fitzá et al., 2009). Moreover, these rounds have names that are commonly known in the startup context. The first rounds are angel and seed rounds consecutively (Croce et al., 2018). Characteristic to angel round is receiving money from angle investors (i.e. high net worth individuals also known as business angles), and during seed round from venture capital (VC) investors (Croce et al., 2018). After that the rounds are referred to as “Series” starting from A all the way to E (e.g., Series A round).

The name of the round is often not that much about the amount of funding but just a typological decision by the startup usually based on the stage in which the company is, what are the previous rounds executed and what is the company planning on doing with the money (Croce et al., 2018). The practicalities of naming the rounds differ between industries and geographical locations, and it’s not rare to see company executing for example two seed rounds. Moreover,

when referring to startups it is common to refer to startups that have raised seed funding but not Series A funding as being in the seed stage (Herck Giaquinto & Bortoluzzo, 2020).

Return on investment or ROI

Return on investment (ROI) is an measurement that indicates performance and evaluates the efficiency and profitability of an investment (Fernando, 2021). In other words, it literally means how much the return is compared to the initial investment (Phelps, 2018). It is often used to evaluate the different investment options and is also commonly used amongst investors such as those investing in startups (Hasheminejad et al., 2019).

Pitch deck

Pitch deck (sometimes referred simply as deck) is a slideshow the startup creates to present the company to prospective investors in a simple and engaging format (Spinuzzi et al., 2015). It is especially important in the early stages as they often don't have financials or prototype to showcase (Shane et al., 2020).

2.2 Brand orientation

The aim of this section is to describe the extent understanding of brand orientation and more specifically startup brand orientation. Having said that, no extent studies could be found explicitly on startup brand orientation. That does not exclude the possibility of those studies existing. If there are some, they could be either not available online or using remarkably different terminology to describe the same phenomenon.

To achieve an understanding of startup brand orientation, first the concept of brand orientation itself is introduced. This section starts with discussing the history of brand orientation and is continued with discussion on the definition of the term. Then the dimensions of brand orientation are deeper explored followed by a short introduction to most common brand barriers for startups.

2.2.1 History

Brands started to be viewed as strategic assets in the 1990s (Iyer et al., 2018). Similarly, also during the 1990s, the first notions of brand orientation were seen. Word searches in Scopus and EBSCO Business Source Ultimate databases show that "brand orientation" as a term has first started to emerge in academic writings in 1990s. It should however be kept in mind that there is a possibility that the concept has been referred to with a different name or that the online search tools do not have data of the productions before 1990s. Originally the focus of

the concept was formed to describe the internal perspective organizations should take to build and sustain strong brands (Gromark & Melin, 2011; Urde, 1999). Since then both the academic writings and definitions have grown in number (Gromark & Melin, 2011).

The focus on the first work on brand orientation (Urde, 1999) was to examine the corporate approach towards brands defined as brand orientation. The aim of the paper was two-fold on the other hand examining the well-nourished brand's development into strategic resource but also the loss of distinctiveness and trademark degeneration resulting from neglected brand. Since this paper (Urde, 1999), the author Mats Urde has majorly contributed to the brand orientation research with multiple papers discussing it from wide variety of angles. However, his work is largely focusing on the corporate side of branding and works on startup and SME brand orientation have been carried out by others.

Wong and Merrilee (2005) pioneered the first work on brand orientation for SME by examining the brand orientation typology for SME's with a case-based research. Later, both researchers have continued to contributed to the SME brand orientation research space with more papers focusing on brand-led new SME venture development (Merrilees, 2007), financial performance benefits of brand-oriented B2B SMEs (Anees-ur-Rehman et al., 2018) and brand management in SMEs (M'zungu et al., 2019).

The latest research on SME brand orientation has focused on identifying the strategic branding resources in Malaysian SMEs (Mijan et al., 2020), understanding brand orientation, brand-building behavior and brand identity within owners and managers of SMEs (Nedu et al., 2020), and brand orientations effects on SME's performance as a strategic orientation (Alnawas & Abu Farha, 2020). To conclude, the research on SME brand orientation has many contributions including some of it focusing on the relationship between firm performance and brand orientation (Hirvonen et al., 2013; Odoom & Mensah, 2019).

Having said that, while SMEs and startups have similar traits, they do not mean the same. And thus, while research on SME branding is contributing to some extend to startup branding, research should still be done specifically on startup branding. To begin understanding this, the clear definition and dimensions of brand orientation are next presented as they appear in academic research.

2.2.2 Definition

Brand orientation is a strategic orientation that a firm can choose to implement in order to acquire competitive advantage (Ind, 2017). As the name suggests, the focus is on how brand is viewed in the company. While most research agrees that building strong and healthy brand brings competitive advantage, the unclarity of the concept has always hindered the branding

efforts (Bresciani & Eppler, 2010; S. K. Lam et al., 2010; Merrilees, 2007). There is a vast amount of research on the concept but to this day there is no clear definition for it (Bresciani & Eppler, 2010; Mizera & Risch, 2018).

According to one of the first papers on brand orientation it is “an approach in which the processes of the organization revolve around the creation, development and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands” (Urde, 1999). This definition has been refined later but almost everything from the original definition still sticks to this day. Gromark and Merlin (2011, p. 395) combined all extent research to come up with a more thorough definition for the term:

“Brand orientation is a deliberate approach to brand building where brand equity is created through interaction between internal and external stakeholders. This approach is characterised by brands being the hub around which the organisation’s processes revolve, an approach in which brand management is perceived as a core competence and where brand building is intimately associated with business development and financial performance.”

The main points of the concept are relatively agreed amongst researchers. Including that brand orientation is a strategic orientation that company can decide to execute (Ind, 2017), “a deliberate approach to brand building” (Gromark & Melin, 2011), and a competitive advantage to those firms that are brand-oriented (Gromark & Melin, 2011; Ind, 2017; Urde, 1999). Moreover, it refers to the extent to which the brand is taken into an account in strategy and other activities in a firm, and the degree to which organization value their brand (Odoom et al., 2017; Wong & Merrilees, 2005). In recent literature, some brand orientation research has viewed it more as an organizational competence factor than a functional activity (Khan & Bashir, 2020).

2.2.3 Dimensions of brand orientation

There are multiple divisions of brand orientation available. One of them is the branding-archetypes ladder that presents three levels of brand orientation in SMEs (Wong & Merrilees, 2005). This ladder (see **Figure 1**) allows more understanding into the depth of brand orientation rather than just seeing it as something a firm does or does not do. It is in more detail introduced here as it offers an in-depth but simple view to brand orientation.

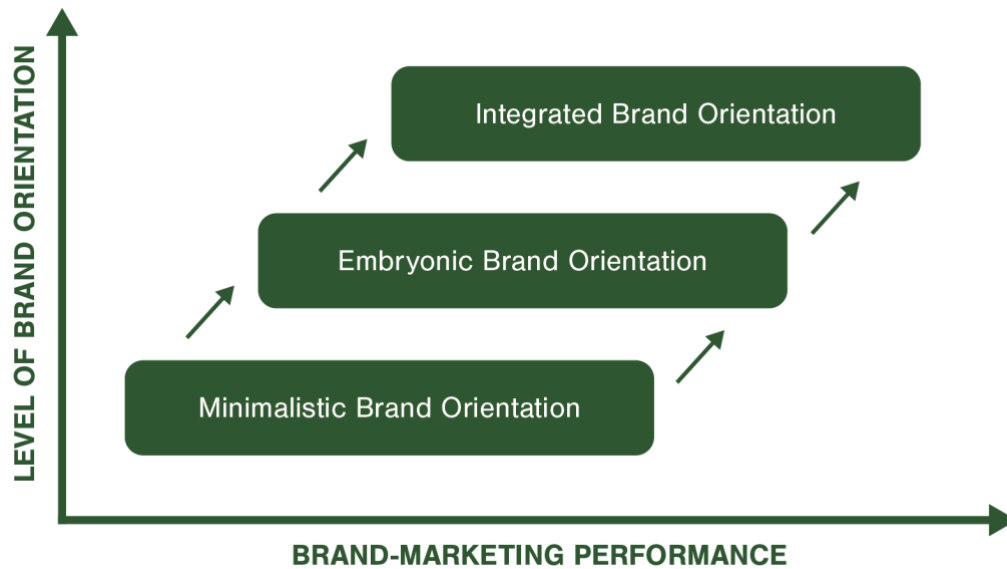


Figure 1. Branding-archetypes ladder (Wong & Merrilees, 2005).

Starting from the bottom of the wheel the *minimalistic brand orientation* archetype describes the brand orientation of companies with focus highly only on short-term business, and thus there is almost no or simply no time to plan ahead (Wong & Merrilees, 2005). Next step is the *embryonic brand orientation* archetype that possesses a relatively better understanding on their competitive advantages and have more focus on long-term planning (Merrilees, 2007; Wong & Merrilees, 2005). However, brand is not actively seen as important part of the business but rather something optional and there is no clear branding strategy available or simply not properly implemented (Wong & Merrilees, 2005). The third archetype, *integrated brand orientation*, is the most brand orientated of these three (Wong & Merrilees, 2005). The firms with this archetype see brand as an important part of their strategy and brand is integrated in everything the firm does (Merrilees, 2007; Wong & Merrilees, 2005). When describing brand orientation this last archetype is usually perceived as the goal state with its organization-wide and strategy driven perspective of the firm (Baxter et al., 2013).

Later, Bresciani and Eppler (2010) identified four branding clusters according to the levels of industry's expectation of branding and innovativeness of branding activities. This two-dimensional concept mapping highlights both internal and external factors affecting brand orientation. Urde et al. (2013) explored brand orientation in the light of three angles (culture, behaviour and performance) depending on where brand orientation is perceived to emerge. Focusing on more concrete aspects of company the factors affecting the level of brand orientation have been identified to be company size, brand barriers and service component (Harrison-Walker, 2014).

While these divisions offer new perspectives to understand brand orientation, only one paper describing the dimensions of brand orientation has intentionally taken into an account the question of measuring it from the company perspective. Drawing from previous research on brand orientation Brand Orientation Index (hereafter BOI) was introduced to measure the overall brand orientation of a firm (Gromark & Melin, 2011). BOI consists of 8 dimensions that were analyzed and confirmed to contribute to the company's brand orientation and moreover its performance. These dimensions were then combined into a brand orientation wheel (see **Figure 2**) that can be used by brands to measure their brand orientation and find the points of development. However, as there is still a lack of more studied measuring methods, BOI has been decided to best serve for the purposes of the research in this thesis.



Figure 2. The brand orientation wheel (Gromark & Melin, 2011).

Starting from the top of the wheel *implementation* refers to the process of making sure the defined brand strategy is implemented throughout the whole company (Gromark & Melin, 2011). This is a crucial part of brand orientation maybe above all because it can turn out to be difficult to successfully execute (Ind, 2017). Next up, *goals & follow-up* dimension highlights the importance of clear vision and mission for the company, and moreover for the brand (Gromark & Melin, 2011). Clear goals for employees to better understand their contribution to the bigger mission and getting rewarded for work towards stronger brand has been shown to be an important part of brand management (Hatch & Schultz, 2008). Next dimension of the wheel is *relationships* which emphasizes the degree to which brand is involved in relationships between different stakeholders including dealings with both external (i.e. customers, media) and internal (i.e. employees) stakeholders (Gromark & Melin, 2011).

Identity development and protection dimension is a combination of constant development of the brand identity but also the legal protection of the brand (Gromark & Melin, 2011). Defining clear core values and further developing them while the company matures is crucial to achieving the competitive advantage brand orientation is credited to foster (S. K. Lam et al., 2010). Moreover, this dimension includes crisis management as it can have a huge effect on brand (Argenti & Druckenmiller, 2004). *Operational development* dimension focuses on brand's role in strategic decision making (Gromark & Melin, 2011). If the implementation dimension focuses on how brand actually is executed in the firm, operational development dimension is right before that in timeline looking at whether or not brand is even taken into an account when making decisions.

The sixth dimension of BOI is *responsibility and roles* which measures the importance of brand in the firm by looking at the people whose responsibility it is (Gromark & Melin, 2011). In literature the importance CEO's responsibility of brand has been underlined (De Chernatony & Cottam, 2006). Moreover, research has shown that in startups CEO's responsibility of brand is even more important (Rode & Vallaster, 2005). Traditionally the operative responsibility of branding is delegated to marketing or brand managers, but lately human resource managers have been more and more involved in the branding efforts as employer branding has gotten more popular (Ind & Bjerke, 2007).

The role of *top management's participation* is emphasized with its own dimension in the brand orientation wheel as the employees in top management are important brand ambassadors (Gromark & Melin, 2011; Vallaster & De Chernatony, 2006). Lastly, the eight dimension presented in the wheel, namely *approach*, is the one that was proven to have the biggest impact on brand orientation (Gromark & Melin, 2011). It refers to the overall associations the firm has about branding as for example to what extent brand is perceived to contribute to the profitability or performance of the firm (Gromark & Melin, 2011).

To better understand brand orientation and moreover the reasons why startups don't use branding as the tool to achieve competitive advantage research has shown it to be, we must look into something called brand barriers. These brand barriers offer better understanding to both the strengths and weaknesses of brand orientation (Wong & Merrilees, 2008).

2.2.4 Brand barriers

Brand barriers are the internal and external obstacles that take the companies from executing and using their brand to best of its ability (Hina & Donna, 2009; Wong & Merrilees, 2005). These obstacles are usually limitations in financial or human capital, or time which lead to short term planning and decision making not focusing on the long-term brand development (Wong & Merrilees, 2005). Moreover, Horan et al. (2011) identified primary barriers for SMEs to include lack of budget, time or knowledge or lack of expertise. Wong and Merrilees (2008) found that brand barriers negatively affect brand orientation.

Seeing branding as just optional action or as a cost rather than investment steers the company away from the benefits of brand orientation (Wong & Merrilees, 2008). However, after identifying the brand barriers, it is possible for a firm to turn around and work more specifically to overcome these issues and thus become more brand oriented (Wong & Merrilees, 2008). That is not to say that it will be easy. In their work, Wong and Merrilees (2008) emphasis that while it's good that we know about brand barriers we would need "more than a magic wand" transform some firms to be brand-oriented. Brand licensing has been proven to decrease brand barriers and empower brand orientation in SMEs (Cardinali et al., 2019).

2.3 Technology startup performance

This section focuses on startup performance and what positively affects it. More specifically, this chapter explores the performance of startups in the technology field. It is known that the performance of technology startups is highly affected by both life-cycle characteristic and industrial characteristic factors (Yoo et al., 2012). And thus, the following subchapters focus on those topics. First, the extent state of research in startup performance is introduced. Then, the life-cycle aspects of startup's development are explored. After that, the characteristics and norms of technology industry startups are presented to bring forward a more holistic picture of technology startup performance.

2.3.1 Startup performance

Since the beginning of startup research, the one consistent subject of interest has been the performance of new ventures and the factors affecting it (Kumar & Das, 2020; Wiklund &

Shepherd, 2005). Trinh (2019) identified five factors that affect startup performance: human capital, financial capital, cultural factors, social factors, government policy. Out of these the two types of capital – human capital and financial capital – are the most prominent ones in literature and many researchers agree on their importance (for example Audretsch & Keilbach, 2004; Solow, 1956).

Human capital refers to the company's opportunity to employ workers to increase its productivity (Rangone, 2017). However, there are many underlying aspects to it. The research has identified human capital to include at least entrepreneurial capital (Audretsch & Keilbach, 2004), managerial capital (Carraro et al., 2019), knowledge (Beckman et al., 2012), and innovation (Exposito & Sanchis-Llopis, 2018).

One of the most studied of these is the entrepreneur's role in performance of the startup (Zhou & Verburg, 2020). Demographic factors such as the entrepreneur's age, gender (Demartini, 2018), and education (Ptak-Chmielewska, 2015), and psychographic factors such as entrepreneur's personality traits, values and attitudes have all been closely studied on how they affect the performance of the startup (Cheng, 2019).

Only until recent decade the attention from the entrepreneur has shifted to the team and moreover how the team is being led by the entrepreneur to achieve the highest performance possible (Zhou & Verburg, 2020). While the role of the team has been known for a while the focus has been on the attributes the team has in terms of mixture of relevant experience and how well they work together as a team. The importance of how team management, the workplace culture and social hierarchy have risen only during the recent years (Florin et al., 2003; Urde et al., 2013; Zhou & Verburg, 2020). Carraro, Meneses and Brito (2019) explored the management control tools that lead to high performance in startups finding that in fields of high uncertainty management control tools become especially important. Moreover, they found that especially management of clients, strategy, information systems, performance risk and budgets was critical for high performance in startups (Carraro et al., 2019).

It is reasonable to say that the entrepreneur and the team are both affecting startup's performance. Other highly active stream of research under human capital is the effect of innovation and learning (i.e. knowledge creation) to business performance that has been confirmed to be a key to success for technology focused firms (Beckman et al., 2012; Exposito & Sanchis-Llopis, 2018; Zhou & Verburg, 2020). However, for technology focused companies, it is important to remember that innovation is not only present in technological development but also in non-technological aspects of the firm (e.g. organizational innovation) (Exposito & Sanchis-Llopis, 2018). Overall, human capital is important especially in the innovation-oriented technology field (Rangone, 2017).

Financial capital is often divided into two forms of financing: equity and debt (Robb & Coleman, 2010; Robb & Robinson, 2014). Equity can be either owner or outsider equity including money from parents or venture capital firms (Robb & Robinson, 2014). Similarly, debt can be divided into owner, insider or outsider debt including different types of loans from for example the owner, bank or government (Robb & Robinson, 2014). The decision between these forms or the balance between them is highly affected by the matters of ownership and control over the company, and the availability of such financing (Brierley, 2001).

Financial capital is affecting startup success already before the startup is formed upon the decision to form it (Bastié et al., 2013). Moreover, the lack of financial capital is often a major barrier for success in startups and has an important role in startup's performance (Coleman, 2007; Le Trinh, 2019). Prominent themes in the startup financial research are the financial strategies for startups (Robb & Coleman, 2010) and the different opportunities for financing between genders (Coleman, 2007; Robb & Coleman, 2010).

Cultural factors are about the beliefs and expectations that influence the behaviour of the individuals in the organization (Ortega-Parra & Sastre-Castillo, 2013). Culture has the opportunity to affect performance through many elements, such as decision making (S. S. K. Lam et al., 2002), organizational commitment (Ortega-Parra & Sastre-Castillo, 2013), and knowledge sharing (Memon et al., 2020) within the company. Cultural factors can encourage or discourage such behaviours that influence the startup performance (Le Trinh, 2019). Studies find that cultural factors have a significant influence on young venture performance (Khedhaouria et al., 2020).

Social factors refer to factors that make the company more valuable for the people affected by it including good reputation, professional expertise, and direct personal relationships (Florin et al., 2003). The importance of social factors is heightened in smaller firms as they are often more personally in touch with the customers and partners (Le Trinh, 2019). Florin et al. (2003) found social capital to be durable and thus having especially long term performance benefits.

Government policy affects startup's performance not from within the company itself but from the outside by determining the attitudes and resources available for startups (Le Trinh, 2019). Governments should make sure that needed university programs are available and that startups have the opportunity to loans and credit (Le Trinh, 2019).

2.3.2 Startup life-cycle characteristics

The objective of any startup is to not be a startup anymore but evolve to be a mature organization capable of sustaining profitable growth (Picken, 2017). The line between being a startup and growing out of it is blurry and some even add one more format between these

stages: a scaleup (Aernoudt, 2017). Nonetheless, there are commonly understood traits or struggles that are characteristic to startups.

Insufficient resources and the requirement to take risks in order to succeed are constant struggles for startups (Ng et al., 2017; Yoo et al., 2012). The limited resources for startups include financing (Abimbola, 2001; Katila et al., 2012), talent (Ng et al., 2017; Rode & Vallaster, 2005) and time (Wong & Merrilees, 2005). Out of these the access to financing is stated to be the most urgent need (Garnsey, 1998). Moreover, characteristic to startups is the need to build structures and processes that do not yet exist (Rode & Vallaster, 2005). While these struggles might be relevant to all startups the focus changes over time.

The stages of startups are commonly understood as pre-startup stage, startup stage and growth stage (Paschen, 2017). However, there are multiple variations available. One of these is the “Startup Key Stages” -framework by Startup Commons that includes presenting the stages according to the levels of validation: problem-solution fit, founder-vision fit, product-market fit, and business model-market fit (Startup Commons, 2018). This framework represents a commonly recognized way of describing stages of startups development (Tripathi & Oivo, 2020).

Pre-startup stage. During the pre-startup phase the focus is on the significance of the problem and identifying key attributes such as target market, competitors and potential partners (Paschen, 2017). Finding the problem-solution fit and laying the foundation for the future endeavours are the key goals at this stage (Paschen, 2017).

Startup stage. This stage is characterized by validating the product-market fit (Paschen, 2017). This shifts the attention to acting on the feedback of customers and the market with the aim to finetune the product and define the market that it best serves (Katre, 2020). An important tool in this stage is minimum viable product (MVP) development in iterations of further improvements on the product in close collaboration with potential customers (Tripathi et al., 2019).

Growth stage. Typically soon after the product-market fit has been validated the startup starts its growth stage (Paschen, 2017). Characteristic to this stage is a strong growth that is expected to continue (Paschen, 2017).

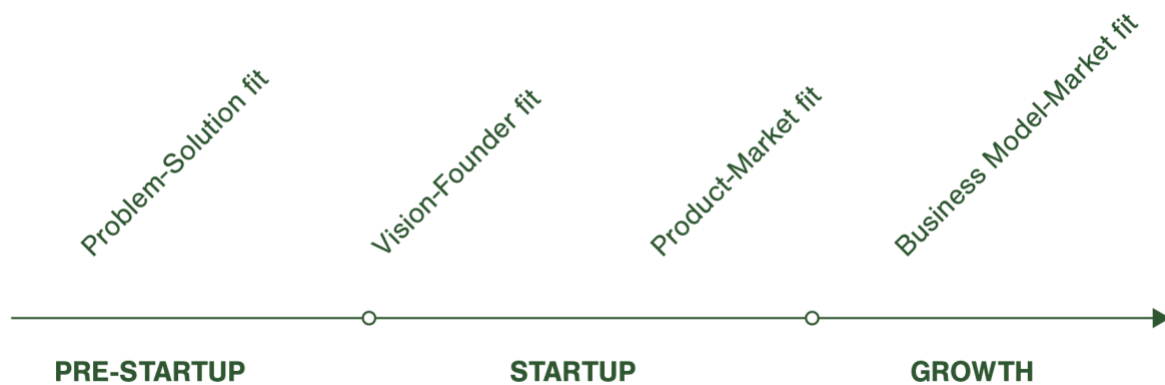


Figure 3. Stages of startup development (adapted from (Startup Commons, 2018)).

2.3.3 Technology industry characteristics

In technology startups the core element is technical innovation that can be present in the total development and production of a new innovative product, in the manufacturing process or in the distribution process (Zhou & Verburg, 2020). Moreover, technology industry can be understood as “a process of scientific discovery, basic research, applied research, technology development, product development and commercialization” (Jiao & Li, 2014, p. 541). Currently, we are experiencing high growth in technology industry as the level of global scientific and technological capabilities grow (Song & Ding, 2019).

The key characteristics of technology industry have been presented to be uncertainty, competitiveness, aggressiveness, and fast pace (Kuschel, 2019). Moreover, technology industry is categorized as a high risk industry (Jiao & Li, 2014; Yoo et al., 2012). **First**, as the rapid development of technologies creates a certain pressure to be up-to-date to prevent the products from becoming obsolete (Wu, 2007). **Second**, as the industry easily experiences big changes and some technological breakthroughs might even completely substitute the existing technology (Denning & Lewis, 2019; Wu, 2007; Yoo et al., 2012). This high uncertainty of technology industry is especially present with new ventures (Zhou & Verburg, 2020).

One of the key capabilities for long term success in technology industry is the ability to innovate (Song & Ding, 2019). There are many scholars studying the topic of innovation in technology industry context. For instance, studies have accomplished that innovation has positive impact on market value (Toivanen et al., 2002) and enterprise survival rates (Li & Ma, 2013). To be able to bring new innovative products to market, technology startups often need

additional financing for their R&D activities (Manigart & Struyf, 1997). Moreover, talent acquisition plays important role in the company's capability to innovate (Peng et al., 2020).

For startups in technology industry, there are three broad business stages that can be identified: product development, growth, and heavyweights (Kuschel, 2019). The first stage includes ideation, working prototype in development and validation, testing product with users, and business model validation (ibid.). In the second stage, namely growth, the startup is focusing on scaling in sales and raising capital (ibid.). The last step on technology startup's journey, namely heavyweights, represents the entering the accomplished business stage and giving up the startup status by selling the company, acquiring other companies, or through an initial public offering (IPO) (ibid.). The goals and thus key performance indicators vary between the stages.

2.4 Brand orientation and startup performance

Since 2000s, the relationship between brand orientation and organizational performance has attracted more attention in research and practice (Boso et al., 2016). In extent studies the effects of brand orientation to organizational performance has been studied in many fields, geological locations (Liow et al., 2019), and organization types (Casidy, 2014; Khan & Bashir, 2020). However, research explicitly on brand orientations effects on startup performance could not be found. Thus, this section focuses on what is known about the main concept of brand orientation affecting performance, and what assumptions can be drawn from the relationship between the overall concepts.

The positive effects of brand orientation on firm performance have been found at least in the education sector (Casidy, 2014), destination marketing (Hankinson, 2012), non-profits (Napoli, 2006), and SMEs (Anees-ur-Rehman et al., 2018). Notably, brand orientation was found to enhance all performance measures in non-profit organizations (Khan & Bashir, 2020). This is if brand orientation is viewed especially as a business philosophy and implemented throughout the whole company (Khan & Bashir, 2020). These findings support earlier research suggesting that non-profit organization's performance is likely to increase substantially if it implements brand orientation (Napoli, 2006).

Two main streams of research emerge from the extent academic literature on brand orientations effects on organizational performance: what affects brand performance (e.g. Wong & Merrilees, 2008) and how brand (orientation) affects financial performance (e.g. Agostini et al., 2015; Gromark & Melin, 2011). Brand performance focuses on how the brand is doing, is it recognisable, does it generate sales, and are the customers loyal to the brand (Wong & Merrilees, 2008). Financial performance focused research looks at the topic in terms of

financial numbers such as profit, sales and market share (Agostini et al., 2015; Gromark & Melin, 2011).

Most studies have found a positive relationship between brand orientation and brand performance (Wong & Merrilees, 2008). Moreover, brand performance is positively linked to financial performance (Gromark & Melin, 2011; Wong & Merrilees, 2008). This has been further proved with a quantitative research comparing the branding efforts and sales performance proving a positive relationship in SMEs (Agostini et al., 2015). Moreover, Wong and Merrilees (2008) found that brand orientation has a positive effect on innovation in organizations.

On the other hand, a study by Boso et al. (2016) found that in multinational enterprise (MNE) context brand orientation on its own is not directly connected to positive sales performance. They argue that this is because any benefits brand orientation brings are canceled if the company has employees that don't believe in the organizational values. Which is consistent with earlier research by Baumgarth (2010) explaining that the impact of brand orientation to financial performance depends on the organizational structure. On the other hand, Boso et al. (2016) also found that the benefits from brand orientation to inter-functional characteristics are high.

The indirect benefits of brand orientation to firm performance are more agreed upon. Meaning that it is not simply the brand orientation that affects performance but its brand orientation affecting other factors in a firm that have an effect on performance. Boso et al. (2016) conclude that the most benefits to sales performance from brand orientation comes indirectly in the form of morale boosting, a sense of togetherness, and coordination of knowledge and intelligence. Wong and Merrilees (2008) found that brand orientation positively affects brand performance most critically through brand distinctiveness and enhanced capability to innovate. And thus, also positively affecting the financial performance of the company (Wong & Merrilees, 2008).

Brand orientation and its affects to performance are commonly researched in relation with other strategic orientations. The combined effect of brand orientation and market orientation for small businesses was found to be positive but once again indirect (Laukkanen et al., 2016). However, the findings of that study (Laukkanen et al., 2016) showed that brand orientation enhances marketing orientation's effects on small business financial performance and growth as marketing orientation's impact on performance is mostly realized through branding.

While brand orientation's effects on startup performance and not to mention technology startup performance have not been studied exclusively, some assumptions could be made with the knowledge of how these concepts work individually. If human capital and financial capital are important performance factors for startups (Le Trinh, 2019), and brand orientation is known to

affect performance through motivating and other inter-functional characteristics (Boso et al., 2016), it could be assumed that the effect on performance is relevant also in startup concept. Moreover, brand orientation has been proven to affect the financial performance (Gromark & Melin, 2011), and financial capital being one of the important factors of startup performance (Le Trinh, 2019), it could be assumed that brand orientation affects startup performance.

One of the most crucial determinants of success in technological fields is the capability to innovate (Song & Ding, 2019). On the other hand, brand orientation is known to enhance innovation in the organization (Wong & Merrilees, 2008). Thus, the assumption could be drawn that brand orientation likely positively affects technology startup performance in terms of industry characteristic factors.

This thesis bridges the dimensions of brand orientation and technology startup performance by figuring out how brand orientation is perceived to affect technology startups and contribute overall performance as presented in **Figure 4**. It should, however, be remembered that not one strategic orientation alone brings success or increased performance. And thus, brand orientation alone is not what gets startup to perform better but is rather one of the important factors affecting the performance of technology startups.

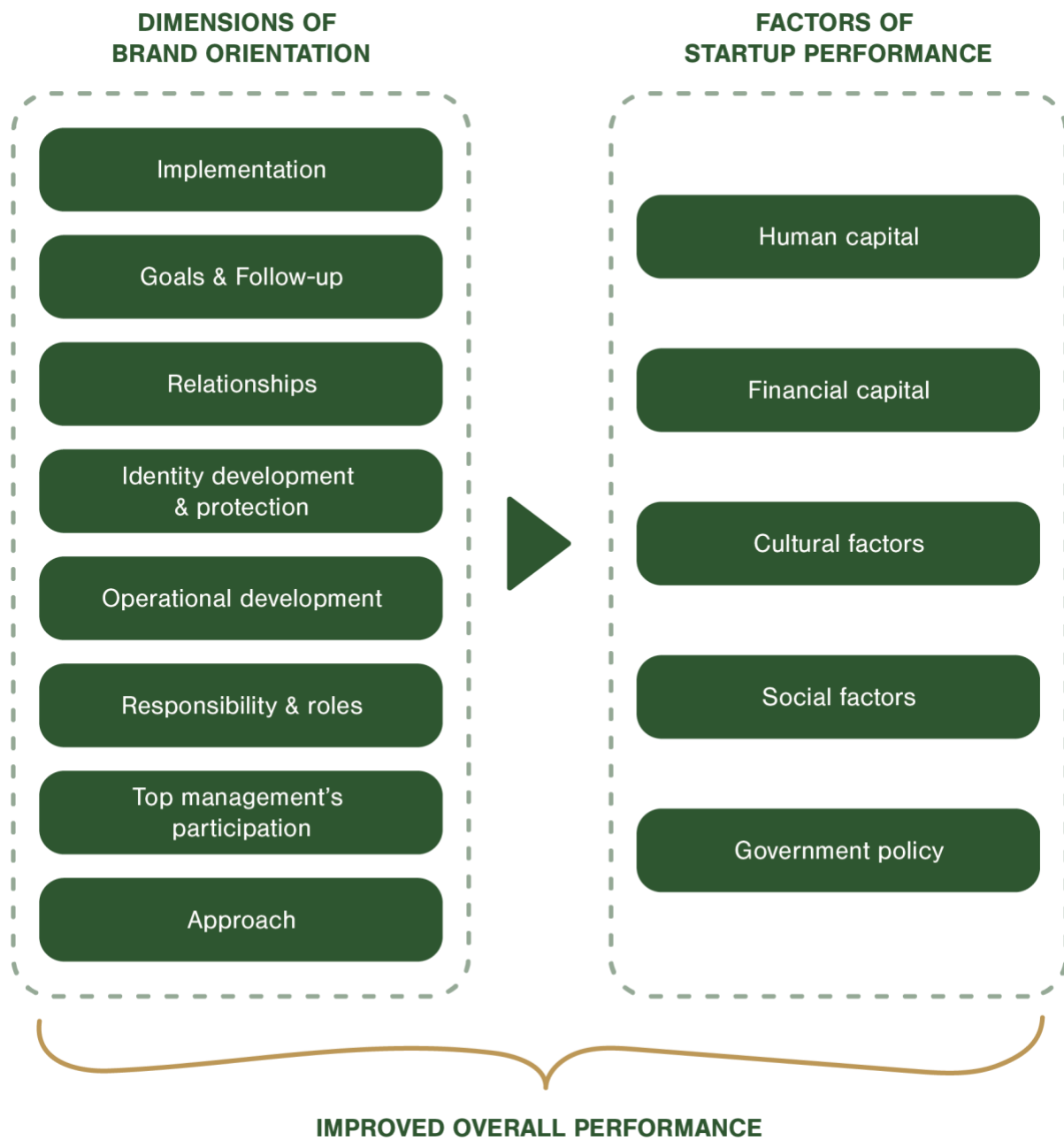


Figure 4. Thesis framework.

3. DATA AND METHODS

This chapter outlines the methods used and data gathered in the thesis. The goal of this chapter is to explain the methods used to give the required understanding to underlying assumptions of this research. First, the research philosophy is introduced, followed by the introduction of the process. After that the data collection and analysis methods are more closely examined. Lastly, the chapter explores the ethical considerations and limitations of this research.

3.1 Research philosophy

All research is development of knowledge, and thus it lays on a system of beliefs and assumptions (Saunders et al., 2008). These assumptions are the base for the chosen research philosophy (Saunders et al., 2008). The key concepts in the philosophy of social sciences, that this thesis adheres to, are ontology, epistemology, methodology and methods (Eriksson & Kovalainen, 2015). Moreover, the chosen research philosophy directs the relationship these concepts have for each other (Eriksson & Kovalainen, 2015).

3.1.1 Critical realism

The research philosophy in this thesis is critical realism in which the observations are understood as the reality that is shaped by the experience (Saunders et al., 2008). This reality is external and independent, but we can only experience manifestations of it, not the reality itself (Eriksson & Kovalainen, 2015; Saunders et al., 2008). In other words, all the knowledge that we can gather about the world around us is socially produced (Eriksson & Kovalainen, 2015).

Critical realism has adopted some of its ideas from positivists and constructionists (Eriksson & Kovalainen, 2015). It sees observations in three layers: “real” structures or mechanisms, “actual” things or events, and “empirical” observations or experiences (Belfrage & Hauf, 2017; Saunders et al., 2008). Critical realism focuses on identifying ‘the real’ layer of observations, meaning the underlying causes and mechanisms that shape the observable events in (organizational) life (Saunders et al., 2008). However, it is not possible to fully isolate any single mechanism (Belfrage & Hauf, 2017). Nevertheless, critical realist researcher should strive to minimize any biases and be as objective as possible (Saunders et al., 2008).

The ontologically view critical realism takes is an objectivism (Saunders et al., 2008). Ontologically objectivism understands the “social entities to be like physical entities of natural world” (Saunders et al., 2008, p. 135). Moreover, reality is seen as “output of social and

cognitive processes” (Eriksson & Kovalainen, 2015, p. 14). It is assumed that each subject experiences the world from their own unique point of view, and thus multiple realities exist (Eriksson & Kovalainen, 2015).

In terms of epistemology, the base assumption is that it is, in theory, possible to discover one true social world (Eriksson & Kovalainen, 2015; Saunders et al., 2008). Moreover, the epistemological view of this thesis “takes reality as material, but acknowledges that people interpret it differently in different times and contexts” (Eriksson & Kovalainen, 2015, p. 15). The facts that we can collect are social constructs that we have experienced not the reality itself (Eriksson & Kovalainen, 2015; Saunders et al., 2008).

3.1.2 Grounded theory

Understanding the philosophical base of the study helps determine the methodological design and strategy of the research and to choose the best suitable method for the study (Eriksson & Kovalainen, 2015). Deciding the methodology for a research starts by looking at the research question and the aim of the research (Eriksson & Kovalainen, 2015).

The aim of this thesis is to create understanding on how technology startups view branding (i.e. their brand orientation), and which branding activities are executed and affecting their performance. When aiming to understand reasons behind interviewees thoughts it is necessary to conduct qualitative interviews (Saunders et al., 2008). And thus, the methodological choice of this thesis is qualitative study with cross-sectional time horizon. Moreover, previous research has shown that qualitative research on branding as a strategy is scarce or not available (Odoom et al., 2017).

In more detail, the methodological strategy chosen for this research is grounded theory. Grounded theory in its earliest form would not have suited for critical realism study, but it has since lost its pure induction approach that contradicts critical realism (Belfrage & Hauf, 2017; Hoddy, 2019). Grounded theory in its current form supports the data collection, coding and analysis of critical realism study, and thus answers the methodological demands of critical realism (Bunt, 2018; Hoddy, 2019).

Grounded theory is commonly used in business studies and especially in marketing and behavioral research (Eriksson & Kovalainen, 2015). Moreover, grounded theory has been viewed suitable for previous studies aiming to understand the gap between the academic and practical approach to theories in branding (e.g. Batra et al., 2012; Gambetti et al., 2012). Characteristic to grounded theory is the deliberate overlapping of data collection and analysis phases (Eriksson & Kovalainen, 2015).

3.2 Research process

The research process started with mapping the preliminary theoretical knowledge (Hoddy, 2019). This initial research allowed early formation of the research questions and offers some idea into what can be expected to be found from the data. This review of the earlier research started in January 2020.

Second, the data collection begins with set of questions in themes that were formatted according to the initial literature review (Hoddy, 2019). In the case of this thesis, this stage started in May 2020. The methods used for data collecting are discussed in more detail in section 3.3 of this thesis. As characteristic to grounded theory the next stage of the research is parallel to this second stage (Hoddy, 2019). The third stage is data coding in which the data collected is analyzed using specific coding techniques. The data coding process for this thesis first started in June 2020 after the first batch of interviews. The methods this thesis uses for data analyzing are explained in greater detail in section 3.4.

Important part of the process is the overlap and iterations from data collecting to data coding and back to data collecting (Eriksson & Kovalainen, 2015). While this iterative process is common often though common in any qualitative research, grounded theory takes a more formal approach to the matter (Eriksson & Kovalainen, 2015).

3.3 Data collection

Upon deciding the method for collecting data the type of data needed was the starting point. To best serve the purpose of the thesis the collection method should promote deeper understanding of the topic from several different contexts and allow novel ideas to arise. At the time of conducting the thesis there were also some unique limitations, as the Covid-19 pandemic was limiting social contacts.

3.3.1 Semi-structured interviews

The primary data collection method used for this thesis is semi-structured interview following the example of much of the qualitative business research (Eriksson & Kovalainen, 2015; Saunders et al., 2008). Semi-structured interviews are suitable for aiming to understand or reveal the underlying issues (Saunders et al., 2008), and thus are well suited for this thesis. Semi-structured interviews are also common data collection method for grounded theory research (Belfrage & Hauf, 2017). Conducting semi-structured interviews allows taking into account the interviewee's relation to the topic during the interview and follow the interviewee's interest or concerns (Saunders et al., 2008; Smith & Osborn, 2008).

As characteristic to semi-structured interviews interview guides (see Appendix 1 and 2) were created (Eriksson & Kovalainen, 2015). The order of these questions during the interview varies, and it is also common that some additional questions are added for particular interviewee to deepen the conversation (Saunders et al., 2008). These questions were structured in themes that took a different viewpoint of the topic: 1) from personal perspective, 2) from organization's perspective, and 3) from startups under my organization's perspective.

While having the guides available during the interviews the purpose of them is, as the name suggests, just to lightly guide the interview and ensure that all the important topics are covered while leaving the possibility to novel conversation (Eriksson & Kovalainen, 2015). The guides used for the interviews consist mainly open-ended questions designed to inspire deeper conversation on the topics at hand. The goal is to generate questions that encourage the interviewee to discuss the topic with as little as possible prompting from the researcher (Smith & Osborn, 2008).

The second part of the interviews was going through a questionnaire based on the Brand Orientation Index (Gromark & Melin, 2011) with the goal of inspiring elaborations on the decisions. The questionnaire was added to challenge the participants to think the different aspects of brand orientation without getting stuck on the definition of the term. It gives the participants an incentive to offer their own opinions on the things that the literature review identified as part of brand orientation.

While the interviewees were asked to rate each topic (see Appendix 3) from 1 to 5, the focus of this was to prompt them to explain their decision and elaborate on why they chose it. The answers to that questionnaire were not used in this thesis, only the explanations given by the participants. And thus, this study is not a mixed method but a qualitative study.

Interviewees

The interviewees can be divided into two groups: 1) people working for startups or startup founders and 2) people working closely with startups. These groups live in close proximity of each other and are constantly interacting. **Figure 5** shows startups in the middle inside of the startup ecosystem, which in turn is inside the wider concept of entrepreneurial ecosystem (Le Trinh, 2019). Getting interviewees from both the startups and the startup ecosystem allows looking at the startup branding concept from both perspectives as sometimes the comprehensive understanding of the bigger picture is better handled by those looking at the process from outside. The first group includes startup founders, and early employees. The second group includes representatives from startup ecosystem including representatives from accelerators and VCs.

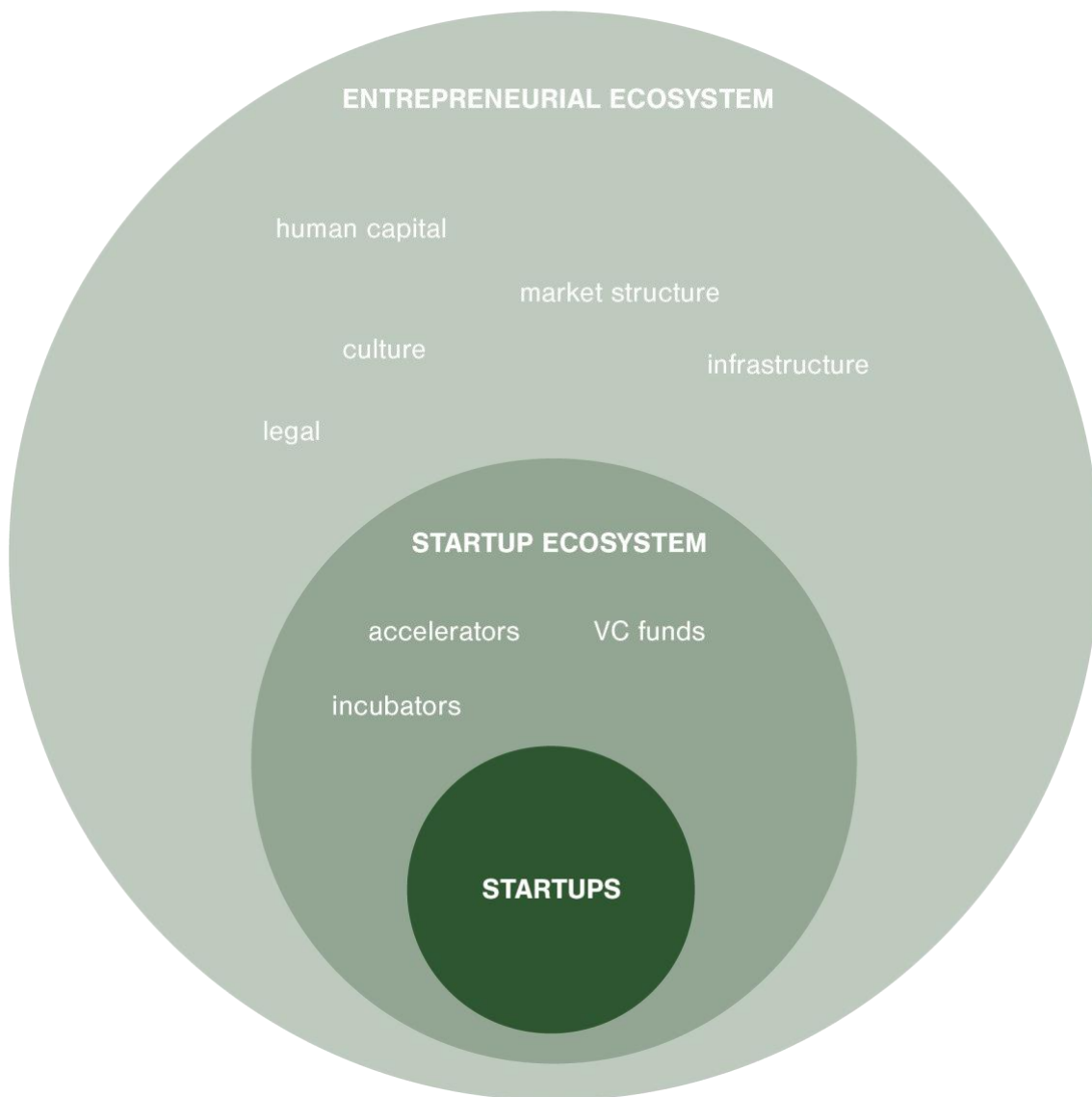


Figure 5. Startup stakeholders map (based on Le Trinh, 2019).

The interviews were conducted with eight individuals in total. These include four interviews in group 1 and four interviews in group 2. All participants of the interviews were located in Europe, but the nationalities of the interviewees vary. However, biggest group of participants were both located in Finland and Finnish citizens. The following tables (**Table 1** and **Table 2**) show the overview of the participants. Moreover, the first column of these tables shows how the interviewees are referred throughout this thesis.

The interviewees were selected to represent both hardware and software fields in technology. All interviewees were people in technology startup ecosystem to whom I personally have existing first or secondhand connections. This decreased the issue of gaining access to potential

interviewees and adds the benefits of familiarity and understanding between the researcher and the participant (Eriksson & Kovalainen, 2015). Furthermore, this namely “backyard research” naturally allows for more contextual knowledge which is a key point in qualitative studies (Eriksson & Kovalainen, 2015, p. 52).

Table 1. Overview of the interview participants in group 1.

| | Role | # of startups founded | Founding year of current company | # of employees |
|---------------|-------------------------------|-----------------------|----------------------------------|----------------|
| Interviewee 1 | Founder, CEO | 2 | 2018 | 8 |
| Interviewee 2 | Founder, CEO | 2 | 2019 | 5 |
| Interviewee 3 | Early employee, Product owner | 0 | 2016 | 50 |
| Interviewee 4 | Founder, CEO | 1 | 2018 | 3 |

Table 2. Overview of the interview participants in group 2.

| | Type of entity | Role |
|---------------|-----------------|--------------------|
| Interviewee 5 | Accelerator | CMO |
| Interviewee 6 | Accelerator | CEO |
| Interviewee 7 | Accelerator | COO |
| Interviewee 8 | Venture Capital | Investment Analyst |

Interviewing process

The interviewees were mainly contacted personally as I already had the connection for them beforehand. However, few of the interviewees were acquired through friends or other interviewees. Knowing the interviewees beforehand made it easier to pay attention to variety of participants as I had some preconception to what their attitudes towards branding are. This helped especially with finding interviewees with negative or indifferent attitude towards branding.

As during the time of making of the thesis, Covid-19 was majorly restricting social contact the interviews were conducted via online video meeting platforms such as Zoom. Before the calls the interviewees were informed roughly what the topic will be and how long it will take. Having

the interviews as online video calls made the recording aspect relatively easy as those platforms have recording option implemented. While these recording offer a better chance to record more information, they also limit the possibility for the interviewer to manage the environment. The number of possible distractions emerging during the interviews were minimized by asking the interviewees to put phones on silent and finding a place where no one would distract the process.

The length of an interview was estimated to be 1 hour including 15 minutes of extra time in case the connection wouldn't work or the interviewee having lots to say about the subject. All interviewees stayed within this boundary. The interviews were conducted throughout the year of 2020, first in May and last in November. Most of the interviews were conducted during August.

3.4 Data analysis

For the data acquired from semi-structured interviews to be useful it needs to be analyzed and the meanings understood (Saunders et al., 2008). The goal of the data analysis is to understand the meaning of the content rather than frequency (Smith & Osborn, 2008). As qualitative analysis is inevitably personal process and varies between researchers and studies (Smith & Osborn, 2008), this chapter explains the methods and process used to analyze the data.

In grounded theory, the essential element of the data analysis is coding of the data (Eriksson & Kovalainen, 2015). There are different customs in using coding stages but in this thesis open coding, axial coding and selective coding were used. However, before any coding is possible the data has to be transcribed into readable format. In this thesis' case it was from audio format to written format, which was done manually. The manual transcription of the interviews allowed some initial noting already while doing the transcripts. This initial noting included highlights and comments on the Microsoft Word document of the thoughts that arose while transcribing supporting the first official coding round.

Once the interview was fully transcribed the open coding begun. Open coding is one of the three types of coding (Eriksson & Kovalainen, 2015). It is the first data classification and analysis round in the grounded theory approach (Eriksson & Kovalainen, 2015). During open coding the transcripts were printed out with wide margins to leave space for comments. Different colors were used to specify different categories, e.g. financial and emotional points were marked with different colors. Moreover, some of the concepts already identified in the literature got their own colors during this open coding process, such as the unclarity of the concept. The colors and symbols used during this open coding process were rough and developed over the iterations to constitute the categories. Over the process these initial

categories help the researcher generate common understandings between individuals and topics (Corbin & Strauss, 2008). Common to grounded theory, memo writing was also conducted already from the open coding stage onwards (Hoddy, 2019).

After open coding, the next coding stage is axial coding that helps comprehend the higher hierarchical levels in the data analysis (Eriksson & Kovalainen, 2015; Hoddy, 2019). The focus in axial coding is more in finding connections between the categories and especially those connections that might not be apparent (Eriksson & Kovalainen, 2015). In this stage the interviews were also compared to each other. In practice, the axial coding process was mainly executed with the help of Post-it notes and a drawing board, and in later stages with Microsoft Excel to collect all quotes related to a specific category. The last type of coding used in grounded theory is selective coding where the goal is to refine the analysis towards a wider theoretical scheme (Eriksson & Kovalainen, 2015).

Overall, the process is not straight forward but includes many loops going from data coding to data collecting (Eriksson & Kovalainen, 2015). **Figure 6** shows the general outline of the process from pre-existing knowledge mapping to findings. Between data collecting and data coding there were multiple iterations, memo writing and comparing the interviews and codes. Especially during the open coding stage of the coding process the interview transcriptions were read and reread multiple times to make sure all the details were recorded. The themes identified in the selective coding are the same ones presented in the findings chapter.

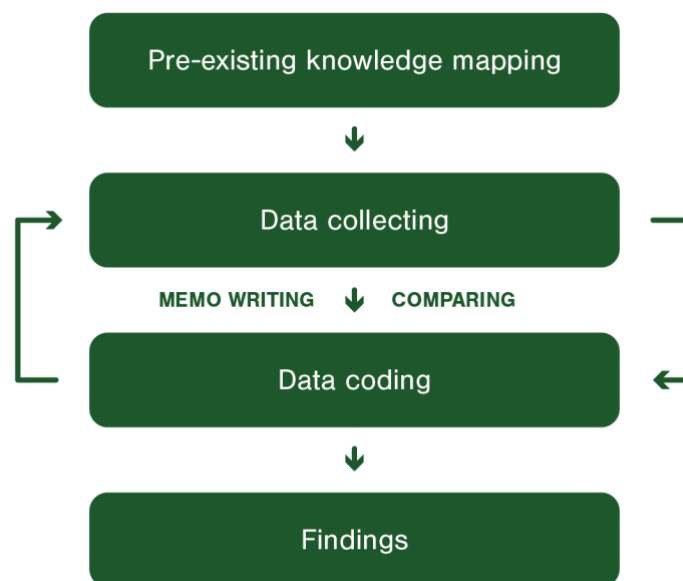


Figure 6. Data analysis structure.

3.5 Ethical considerations and limitations

This chapter objectively evaluates the ethical concerns and limitations of this thesis. These concerns and limitations arise from the methodology approach chosen and my personal relation to the case and include reliability, validity and generalizability of the data. As critical realist researchers I should strive to pay extra attention to my own background and experiences and how they might influence my research to minimize the effects (Saunders et al., 2008).

The research is of qualitative nature and relying on interview data that does not give us the full understanding to whether or not the perceived effects of brand orientation are actually reflecting to actual performance of a startup. This study does not collect such quantitative data, and thus it can only argue to the perceived performance.

Moreover, some of the limitations already stem from the type of this research being thesis, the number of interviewees was relatively small. This affects the generalizability (i.e. external validity) of the results. While selecting the interviewees the aim was to select a diverse group, full diversity cannot be guaranteed. This could affect the results if the research was to be repeated. As commonly the case with qualitative methods, the wider generalization of the findings is thus not recommended (Bresciani & Eppler, 2010).

One of the concerns of regarding the data collection of this study is the participant bias. If the interviewees feel that they are pressured or other ways benefit from giving unauthentic answers during the interviews (Saunders et al., 2008). To avoid this, the matter was directly addressed at the beginning of the interviews. As some of the interviewees know my personal interest towards the topic it was extremely important to highlight that there are no right or wrong answers, and that it was beneficial for me to hear also the more negative points.

Some limitations also arise from the type of the research participants. As the research was backyard research it was relatively easy to understand the context in which the interviewee was giving input. It is also clear that especially in group 1 the roles the interviewees had in the firms were quite similar with only one not being founder-CEO. This might lead to some unreliability in the findings. While this allowed ensuring the validity with previous knowledge about the cases discussed and deeper understanding to interviewees motivations, it might open the research for observer bias. Moreover, observer error might affect the validity of the data (Saunders et al., 2008).

The format of the interview due to global pandemic restricting social contacts was online video interview. In the video call the connection might be spotty or you other ways cannot fully detect the tone of voice of the interviewee. This poses an opportunity for misunderstandings between

the interviewer and interviewee. One of the ways to exclude this limitation was to choose participants that are already familiar and thus are easier to read.

The data analysis poses some reliability concerns as the data has to be interpreted and some judgements have to be made regarding it. The reliability is highly affected by what the researcher finds noteworthy and applicable. Moreover, the data analyzing stage is affected by my own relationship and experience with the topic creating specific bias that can never be fully explained nor eliminated.

4. FINDINGS

This chapter covers the findings of the semi-structured interviews. Five main themes emerged from the data and they are next discussed in their own sections. Each theme was present in the interviews with both Group 1 and Group 2, and thus the findings for both of the groups are presented together. At the end of each section there is a table representing the most exemplary quotes from the data. These findings are then all concluded in the last section of this chapter.

4.1 Unclarity of the concept

One big common theme throughout the interviews in both groups was the lack of general understanding of what branding is. The understanding varied from brand only being the visual elements to brand being the company itself. Throughout the interviews it was clear that branding is perceived as something positive but any clearer consistent definition for it seemed to be lost. This unclarity of the concept was seen through all interviews through following sub-themes.

Multifaceted concept. As stated, the concept of branding overall shows up unclear in the startup ecosystem. One specific aspect of the multi-dimensional concept is the question of all the perspectives and departments that are part of the company's branding efforts, and how it is divided between the departments inside the firm. Branding manifests as different things and especially the distinction between branding's relationship with marketing and employer branding seemed to be problematic in terms of understanding the concept as a whole. Most of the interviewees wanted to draw a line between branding in marketing and branding in HR.

One of the interviewees in group 2 explained that they are not focusing on branding as it does not have "universal teachings" and would be hard to explain to everyone at the same time as it is different for all. Moreover, an interviewee from group 2 explained that often they will have to start the conversations about brand by making sure everyone present has the same general idea about what brand is. This further emphasises the multifaceted nature of brand and its role in the organization.

Awareness of branding activities. As startups don't understand which one of their activities are contributing to their branding efforts partly due to the lack of definition of the concept and partly due to believing that at the early levels it is something they don't want to do. The interviews revealed that this is especially the case with unexperienced founders that have not yet seen the benefits of consistent efforts towards finding and defining their own identity.

Especially with interviewees in group 2 it was clear that first time founders are less likely to actively do branding.

During the interviews there were several cases where the interviewee didn't think what they were doing brand oriented but later upon further explaining their operations it would be revealed that actually branding played an important role in what they did. One interviewee reported starting off with a vision and stating clearly what they want to accomplish. Then developing the technology and product around it and only then thinking about branding. However, it was clear that they were already doing branding when they first started and had, in fact, customized the technology according to their vision. It turned out that in this case brand was seen as the visual elements and after the product would be done, they were planning on hiring a designer to finetune the visual side of their brand.

Feasible action points. The interviews revealed that no one really knows how to execute branding. This combined with limited time resources that startups have, they end up using their time doing what they know how to do. This uncertainty about what to do might be a big unconscious contributor to not actively thinking about branding.

Interviewees 5 and 8 reported that startups are often eager to get mentoring and guidance with regards to branding and marketing. The startups are uncertain as to where to start when the only example seems to be big corporates where huge branding teams are doing the work. While branding is not a linear process, giving the illusion of next steps and action points helps in executing and understanding the process. On the other hand, interviewee 7 stated that there is often resistance from first time founders to think about the brand and culture. However, it was reported to be different with more experienced founders where they had more clear idea of how they want to execute branding activities.

One interviewee in group 1 explained that they have built their brand from the beginning with small steps such as choosing a name that fits global markets. Another explained that when the startup grew and it was no longer all about the founder, they started with defining clear values. It was also evident from the data that first employees and customers play a big role in the formation of the brand. However, it is debatable whether or not that is always a good thing.

Unknown ROI. With limited resources you want to know that everything you do takes you forward. With branding ROI (return on investment) is a really long term and hard to measure directly. This means that there is little incentive for startups to focus on branding. All interviewees agreed that this is a huge barrier for branding. As startups are choosing between all the things that they would need to put money into it is easy to forget branding as you don't have feasible tools to count or measure it.

Interviewee 3 mentioned that there is difference between creating long time and short time brand value. In the short time brand, the ROI is easier to see but it is smaller whereas in the long-term brand ROI is hard to see but bigger. As an example, they explained that strong brand in their product never breaking compensates if sometimes the customer has to wait for couple of extra weeks for the product to be set up. The value of this is hard to measure but by now most of the people in the company understand it.

The interviewees in Group 2 all agreed that taking the time to do the “busy work” of for example defining the company values is worth in the long run and that they highly encourage every startup to do it. However, it should be mentioned that some concerns about doing too much branding is crucial as then it would not bring the wanted return on the investment. This would suggest that there is a limit to how much branding one can do.

Overall, the interviewees in Group 1 expressed distress about trying to understand what branding is and feeling a bit overwhelmed about it. On the other hand, interviewees in Group 2 were seeing the same distress but unable to mention any real ways they are helping the startups get over this problem. The efforts were mainly related to marketing, value proposition and storytelling.

Table 3. Exemplary quotes under the key theme of unclarity of the concept.

| Theme | Exemplary Quotes |
|----------------------------------|---|
| Multifaceted concept | 1) "There are people working on branding in different departments from different perspectives." - <i>Interviewee 3</i> |
| | 2) "Anytime somebody starts talking about it [branding] they all have different opinions based on their background, what they think is important, what they thing you should do." - <i>Interviewee 6</i> |
| Awareness of branding activities | 3) "We didn't approach branding consciously" - <i>Interviewee 1</i> |
| | 4) "Our firm has been so small that who we are has been self evident to everyone at our company." - <i>Interviewee 3</i> |
| | 5) "I think that although all the little things are part of your brand, the situation where you actively invest in your brand is not the first thing on your priority list." - <i>Interviewee 3</i> |
| | 6) "We don't actively think about brand when making decisions but everything we do somehow relates to the brand." - <i>Interviewee 4</i> |
| | 7) "They [startups] don't talk about branding as branding. Rather they would use terms like value proposition. And that in my personal opinion is a lot about branding at that point." - <i>Interviewee 5</i> |

| | |
|------------------------|--|
| | 8) "They [startups] don't recognize what brand is. They see it in a narrow way. They don't understand that product development is also branding and when you think about the customers is branding. They don't see that they are constantly doing branding." - <i>Interviewee 5</i> |
| Feasible action points | 9) "In our accelerator you talk more about marketing and other more concrete actions to take. There is very little talk about brand building." - <i>Interviewee 5</i> |
| | 10) "So that it's [brand] very hard to make that into a process or a formula. And engineers struggle with it a lot. Because you are busy and tired and overworked, you tend to do the things that you are good at." - <i>Interviewee 6</i> |
| | 11) "You know the old joke about how do you eat an elephant. One bite at a time. The challenge with branding is very often when the people who are brand consultants or who have worked in large corporations doing branding. They have a large team they have lots of resources so it seems doable. Whereas as startup you usually say no this is too hard it's too complicated." - <i>Interviewee 6</i> |
| Unknown ROI | 12) "Let's think that you are a startup and you have 100 euros. You know what you will get if you put 80 euros of it into developing the technology versus if you put it in branding. The challenge is that branding is an abstract concept." - <i>Interviewee 3</i> |
| | 13) We ask them [startups attending the accelerator] "do you have a shared document about your company culture, and how you work", and we try to encourage them to do this. It may seem like a busy work but is actually super important as you start to get those first employees in. - - And in the follow up calls we hear that they are struggling with things because they haven't done this piece of work." - <i>Interviewee 6</i> |
| | 14) "I think the biggest brand barrier is its [branding] got a very long term ROI or it's kind of fluffy or its too big to understand." - <i>Interviewee 6</i> |
| | 15) "Brand is like the chicken or the egg -problem. Did our brand increase our performance or did our performance increase our brand?" - <i>Interviewee 8</i> |

4.2 Organizational self-image

Next big theme during the interviews was branding's affect to organizational self-image and day-to-day operations in technology startups. It was clear from the interviews that branding affected how employees view the company itself and thus affect their work. The following three sub-themes emerged from both of the interview groups and in personal and organizational levels.

Focus. The interviewees reported a clear connection between branding and being able to focus the resources and attention. In group 1 this aspect was less common. One interviewee from group 1 felt that after defining specific values it has been easier to understand what the most important tasks are and argue them to others. However, those interviewees in group 1 that were founder-CEOs of the companies might also be biased with this as they are required to be able to define the focus by the nature of their role even without other people in their company knowing.

In group 2 the focus factor was more clearly present. This is perhaps as they look at the situation from the outside. They reported branding efforts forcing startups to define who they are and what they want. This then moreover helps startups understand the most important tasks at hand and being able to find the right customers and stakeholders.

Common direction. Shared direction implies that the company as a whole is working together towards same goals. This is heightened especially when the company is experiencing high growth and it is easy to lose the connection between departments while more employees join the company. Moreover, it was important for the startups to find the right employees that believe in the same common goal. This is easier to do when you have clearly defined who you are as a company. On the other, hand it was also reported "just happening" as the right people were hired through friends and family.

The interviewees reported that having clearly stated brand also makes it faster for new employees to understand the ways of working and reasons behind every decision. One interviewee said that being able to consistently define who you are and what your goals are, you can better motivate your team. With strong brands the decision-making process and conflict solving was also reported to be much easier as there is something other than your own opinion to base it on.

Credibility. From the interviews, it was clear that the startups perceived brand as a confirmation of credibility. In group 1, this manifested when startups were describing other startups which they defined as having a great brand. Besides the perceived credibility they described them as

professional and trustworthy. Interviewee from group 1 also mentioned that branding helps you tell a credible story that then helps in sales and other functions in the company.

In group 2, the startups with defined brand were described as more confident which then affected the operations of the whole company all the way to the outside world. It was also mentioned that brand oriented startups feel bigger and more successful than they actually are. With well-defined brands the startup looks and feels like they have everything more figured out.

One big question in this theme was the cause-and-effect dilemma about whether branding leads to focus, common direction, and credibility or those result in good brand. There seemed to be opinions on both sides of the debate. However, it was also brought up that it might even be possible to approach the topic from whichever side and come up with the same end result.

Table 4. Exemplary quotes under the key theme of organizational self-image.

| Theme | Exemplary Quotes |
|------------------|--|
| Focus | 1) "For us coming up with design system made us work more consistently." - <i>Interviewee 3</i> |
| | 2) "Consistency is always the most important individual factor in a good brand." - Interviewee 4 |
| | 3) "When you have a brand you tend to know more what you are and what are not." - <i>Interviewee 6</i> |
| Common direction | 4) "We would have more clear way how we need to approach our customers or the way we hire people. " - <i>Interviewee 2</i> |
| | 5) "Clear brand is helpful during the hard times. - - For example if I need to motivate my coder team it's easier when we are all on the same page about our who we are and why we do it." - <i>Interviewee 3</i> |
| | 6) "Especially when you are growing fast there will come a moment when you fumble and you loose the connection to other departments. At that point common goals help with the gaps in communications and motivate people." - <i>Interviewee 3</i> |
| | 7) "There was a sort of strong common direction that made it much easier to communicate and to work together. " - <i>Interviewee 6</i> |
| | 8) "It meant that decisions and discussions were sort of pretty quick and easy. Because as new people came in it was very easy for them to understand what everything was about. Because between the culture documents and all the visuals being consistent the fact that most conversations kept referring back to the same personas." - <i>Interviewee 6</i> |
| Credibility | 9) "The brand has gotten more focus while we have grown. Now we think of ourselves more as a credible firm that has an actual specific product that we sell." - <i>Interviewee 3</i> |
| | 10) "With strong brands you get the feeling that all the operations are aligned. Everything that happens inside and how it looks like from the outside is a whole." - <i>Interviewee 5</i> |
| | 11) "Everything there sort of felt much larger than it was." - Interviewee 6 |
| | 12) "A startup with a good brand is almost always easier to understand and that undsrstanding affects the investment decision. Brand is not a deal breaker but it's a plus." - Interviewee 8 |

4.3 The formation of brand

The next bigger theme was the formation of the brand. The question of the right time to start building one's brand, if there even is one, was present in each of the interviews. This main theme divides into four sub-themes that focus on the time related aspects of a brand.

Background process. In the interviews brand was described as something that starts to build up from the very beginning and that includes everything you do as a company. Brand was seen as something that grows in the background no matter what you do, almost as a by-product. One interviewee described this to be the case in early stage startups but that it would become more visible in later stages. Moreover, throughout the interviews, it was described that one's brand grows with the company. The product and product development steers the company brand to a specific direction especially with startups where there is often only one product.

An interviewee from group 2 explained that startups would often want to have brand more prominent part of their operations but lack the expertise to do so. Moreover, another interviewee from group 2 explained that branding might be a background process for many but that just means that they will not get the benefit of it. On the other hand, it was also argued that in some cases knowing that you have a brand but not acting on it at the early stages might even be the most beneficial thing to do.

Not priority for us. For startups, what to prioritise is a big question as the resources are scarce and you need to know which tasks are the most crucial at any given moment. Branding was seen as something that is not prioritised at startups and seen more like a "cherry on the top". In all interviews some form of "it's not something we prioritize right now" was brought up.

Half of the interviewees in group 1 suggested that having a brand would become especially important in the growth stage. An interviewee from group 2 stated that product-market-fit is when branding adds value. It was also mentioned that startups often pay attention to branding just before or during the launch of the company or the brand, and then often leave it be. Overall, the interviews show that there is not one point when branding becomes important. In fact, maturity was suggested as one of the biggest brand barriers for technology startups.

It was remarkable that all interviewees in group 1 could name brands with similar products that should do more branding. This suggests that branding's role might already be seen as important at that stage but for some reason its importance to oneself is harder to see. The question around brand's role in business-to-business ("B2B") and business-to-customer ("B2C") companies was brought up. There were opinions on all sides of the debate stating that branding is more important for B2B than B2C and the other way around. It was said that it is equally important for both, but in different forms.

Temporary. Many interviewees in group 1 described their brand as something temporary. This was especially linked with their visual identity. However, one interviewee also mentioned their company's name being temporary. This connects closely with seeing brand as only the visual elements. It was explained that at the early stages the startup pivots their product and company often multiple times so there would be no point focusing on brand. However, it was also stated that the visual elements are the ones that change but that they always end up keeping part of themselves even when rebranding. For example, the mission might stay the same and just the means to execute it would change.

The temporality of the brand also meant constantly developing the brand they have and understanding that everything the startup does now for their brand will change at some point. An interviewee from group 1 described their brand as an "evolving process". This thinking allows them to do the best they can now and not limit their thinking to what it could be. In group 2 it was acknowledged that being able consistently describe who you are and define your mission or core values would be seen as a better option to the one who cannot consistently define themselves but has beautiful visuals. This would suggest that even doing the groundwork for a strong brand is helpful.

Coming to be. There was a clear split of two ways into how branding starts in companies that emerged from the data. This division alone tells a lot about the startup's brand orientation and how branding is used in their processes. The first half saw brand as starting to be formed when you first come up with visual elements. This would often be when the company had to create their first pitch deck, and thus needed to decide the colours and other elements for the brand. That way of looking at branding is looking at it from outside in as in it defines brand only when the outside world needs it.

The other half saw brand starting with the foundation and defining who they are and what they want to achieve. This view looks at branding as something that comes from within. From there they could then expand to other elements of branding such as the visual identity. One interviewee from group 2 mentioned that first defining who you are and what you want in the beginning makes all the rest of the brand building easier.

Overall, the remarkable suggestion these findings bring up is technology startups seeing brand as something they can turn on and off at will. While this was not the only belief amongst the interviewees, almost all interviewees at some point described branding as such. Moreover, all the subthemes in this theme support the earlier stated point about brand being an unclear concept for the startups.

Table 5. Exemplary quotes under the key theme of the formation of brand.

| Theme | Exemplary Quotes |
|---------------------|--|
| Background process | 1) "The brand starts from the day one. All values and actions that you put into developing the company end up in your brand and in your reputation" - <i>Interviewee 1</i> |
| | 2) "The idea and the brand grow in the background in the early stages." - <i>Interviewee 1</i> |
| | 3) "With us growing, it [brand] has developed too. As the product develops it [brand] has become more specific." - <i>Interviewee 3</i> |
| Not priority for us | 4) "You should think about that [brand] but the actions how to develop and improve the brand are not the first preference in the very beginning in my opinion." - <i>Interviewee 1</i> |
| | 5) "I guess maybe because at this point we have other challenges that may seem more relevant to try to focus on than doing this [branding]. We cannot do everything at the same time. But maybe that's it. It's about putting some things before this." - <i>Interviewee 2</i> |
| | 6) "Now as the firm is growing we have started to talk about what our values are more so we can share them with the rest of the team." - <i>Interviewee 3</i> |
| | 7) "The biggest brand barrier is the startup's maturity" - <i>Interviewee 4</i> |
| | 8) "In the problem-solution fit stage it's not important to focus on the brand and it's building. Because the solution might and probably will change a lot." - <i>Interviewee 4</i> |
| | 9) "In the product-market fit stage you already know the problem and you have a first version of the solution for it. At that stage, when you start to describe the solution, you should start building the identity for it. At that stage the efforts you put into branding bring real added value." - <i>Interviewee 4</i> |
| | 10) "Let's say that in the priority list brand is secondary but we still acknowledge that it is important and it is taken into an account. But it's not dominating." - <i>Interviewee 4</i> |
| | 11) "Startups see it [branding] as the cherry on the top." - <i>Interviewee 5</i> |
| | 12) "[Early stage] startups focus less on branding as the general opinion is that it's not important at that stage." - <i>Interviewee 5</i> |
| | Temporary |

| | |
|--------------|---|
| | 14)"But it's also a process. I don't think that it's just we say let's do this now and then it's going to be like this forever. But it's also a process that it's going to get improving. " - Interviewee 2 |
| | 15) "Some of our early stage startups change their name and colors every other month and yet you still recognise them from all the other things that make the brand." - Interviewee 5 |
| | 16)"During the program somewhere between a third and a half will have a very significant pivot so that may also involve them completely redoing their brand because they've got a different customer segment or there is something completely different." - Interviewee 6 |
| Coming to be | 17) "Brand building has to become also in the beginning but I think it becomes more important after that initial process." - Interviewee 2 |
| | 18) "Primarily the company is part of the brand - not the other way around." - Interviewee 4 |
| | 19) "Often you start to think about brand and visual identity only after or just before launching the company." - Interviewee 5 |
| | 20) "At some point the more mature startups just end up realizing that they have a brand and start actively working on it." - Interviewee 5 |
| | 21) "For startups, the visual assest are easy to understand as branding. It's the first thing they think of when they think of branding. So that's where they often start." - Interviewee 8 |

4.4 Founder's role

As many things in startups, also the perception of branding is highly affected by the founder. This was clear also from the interviews. The founder directs the team's priorities and initially sets the "rules" for who the startup is.

Founder is the brand. Especially in group 1 the interviewees that were also founders brought up that the brand might not be defined word to word but that it represents their own values. This also proves that the founder has a big influence in how brand is perceived in the company. The founder being the brand was understood in two levels. First, as the company has not defined values or culture, everything is based on the founders' own values and ways of working. The story of the company starts from the reasons behind building the company which are almost always personal reasons for the founders. This leads to the company's brand working hand to hand with the founders' personal values.

Second, there are cases where the founders are so well known that the company can use that to get forward. For example, investors tend to like founders that have founded successful startups before, and thus it doesn't really matter what the brand of the company looks like as long as

you have that specific personal brand of the founder. This was also extended to cover the personal brands of other early employees of the company that might attract interest from outside stakeholders and help the company forward.

While most interviewees explained that the brand mostly lays on the founders' personal brand, it was also agreed that the first employees and founders all together have an impact to what the brand ends up being. An exception to founder's role in brand development was explained to be when the face of the company is not the founder but for example the non-founder CEO or key investor.

Founders' experience. Comparing the answers of first-time founders with the ones with more experience there is a clear difference. This emerged especially by the group 2 interviewees where the interviewees had experience on multiple startups and could better do the comparison. First time founders tend to underestimate and underprioritize the branding activities. Most clearly this is seen in the definition of culture and values. First time founders do not see defining culture or values important whereas second (or more) time founders acknowledge the benefits of doing this.

Interviewee 2 explained that with the second startup they have been able to more clearly see the benefits of branding early on. Having once seen the value it can bring it feels easier to put efforts into it. To support that, an interviewee from group 2 explained that many startups struggle to see the value in branding before they do it themselves. Moreover, an interviewee from group 2 explained that it is rare to see a first-time founder take the time to define their culture, but more experienced founders almost always do it.

Brand responsibility. According to the interviews in the startups there is rarely a person who is in charge of branding. However, the interviews also showed that there are people whose actions have bigger affect to the brand than others. When asked about the responsibility of brand the answers were vague and many interviewees pointed out the complexity of the whole concept. However, clear was that in the beginning the sales team has a big effect on how the brand is presented to the external stakeholders. As they are selling the product or acquiring financing, they are building a story around the company and product to get results. One interviewee explained that the sales strategy is often highly affected by the company's founders and how they are talking to the sales team about the company.

Moreover, the brand responsibility is also visible inside the company. The founding team and early employees have huge influence on what the brand will be. One interviewee stated that brand building starts with the founders, but the early employees are the true contributors and champions of for example culture as they are the ones that attract and onboard new employees.

Overall, the founders' role in startup branding is evident and one should pay attention to it. One interviewee even described the founders as the "ultimate source of how we do things". However, these findings also emphasised the role of early employees to the firm's brand.

Table 6. Exemplary quotes under the key theme of founders' role.

| Theme | Exemplary Quotes |
|----------------------|--|
| Founder is the brand | 1) "Some startups start with the brand, but maybe not the company's brand but the personal brand." - <i>Interviewee 1</i> |
| | 2) "Our brand story comes of course strongly from the founders." - <i>Interviewee 3</i> |
| | 3) "I think that our brand has come through our founders for a long time." - <i>Interviewee 3</i> |
| | 4) "No matter what you say the values and culture are the equal of the founders and the first around 25 employees." - <i>Interviewee 4</i> |
| | 5) "What our value base and work culture are should be asked from the 25 first employees and if you don't listen to them those will be conflicting with each other. The real work life would not represent the values and the other way around." - <i>Interviewee 4</i> |
| | 6) There are also cases where there is non-founder CEO and the founder might have only a small if any role in the startup." - <i>Interviewee 5</i> |
| Founders' experience | 7) "So I have now realized that having this branding in place and being able to spread it of course is something really important." - <i>Interviewee 2</i> |
| | 8) "The number of times they [founders] have fucked up companies is an indicator if they will take the time to do the busy work and think about the culutre etc. I almost never see afirst time founder do this. It's super rare. Second or third time founders always do it. Nearly always. There is a significant difference." - <i>Interviewee 6</i> |
| Brand responsibility | 9) "Because our sales team is small the way we sell comes directly from [CEO] who is the founder. And I think [CEO] is the ultimate source to how we do things, what is brand, and how our values work." - <i>Interviewee 3</i> |
| | 10) "Most likely top management has build up the brand originally and they should be part of the brand building and development as they are the original founders of it. But I also feel like the first employees have huge affect to what the culture and brand ends up looking like. They are the ones who teach it to the next employees and so on." - <i>Interviewee 3</i> |

4.5 Brand's role in growth

As explained earlier in this chapter, the interviewees agreed that brand's role is heightened in the growth stage of a startup. This was also one of the bigger themes that emerged from the data and was agreed amongst all interviews. During the interviews this was brought up in multiple occasions that were mainly focusing on one of the two sub-themes discussed below.

Employer branding. From the interviews, it was clear that in hiring and HR branding has a great affect to who attractive you are as an employer, and moreover how well you company performs. You want to attract the best talent in order to get the best people. One interviewee described the opportunities good brand brings in hiring as the most significant thing a brand can do for a startup. Moreover, another interviewee explained that with more specific branding they have been able to motivate and find the most motivated people to work for them. This helps with going the extra mile that is often needed in startups.

One interviewee also reported not doing any employer branding and just finding the new employers from their personal networks. It was moreover described that “wrong people bounce off” and don't get hired. This would suggest that there is a great emphasis on the founder and the first employees as the brand owner in this startup.

Sales. The role of brand in sales was revealed to be two-fold. First, in customer acquisition it is important to have a brand in order to stand out from the competition and achieve legitimacy, and thus accelerate sales. Branding was viewed as something that could potentially shorten the sales cycle and help out with acquiring investors. One interviewee from group 1 explained that especially technology startups nowadays are all looking the same and having a really thought-out brand is one thing that differentiates you from everyone else. Another interviewee explained that the combination of well-defined product and brand to support it shortens sales cycles as your customers know what to expect and what they will get, and you don't spend time going over the basics.

Second, your first customers have a big role in building your brand and being able to clearly communicate your brand to them helps them share the word forward. It was stated that in the early stages, customers have more power over how your brand develops than for example visual elements. One interviewee explained that the customers have a two-way role for the startups by firstly paying for the product but also promoting it to their own stakeholders.

Overall, the interviews revealed that growth stage is where branding's role starts to be more visible and the value add more feasible. Thus, it is easier to see the benefit of using the resources. However, according to the interviews it is acknowledged that in order to have a

strong brand in the growth stage you should have done some preparations already before reaching the stage.

Table 7. Exemplary quotes under the key theme of brand’s role in growth.

| Theme | Exemplary Quotes |
|-------------------|--|
| Employer branding | 1) "Branding was not important. We did most of the hiring just reaching out to our network." - <i>Interviewee 1</i> |
| | 2) "It is important that new employees assume our ways of working." - <i>Interviewee 3</i> |
| | 3) "If you have a strong brand, people want to work for you. It's definitely one of the most important things you do with a good brand." - <i>Interviewee 3</i> |
| | 4) "If you don't understand the big picture and company mission, and don't understand why things are done you won't be motivated to work the long hours. It's especially present in the startup world as the path is rocky." - <i>Interviewee 3</i> |
| Sales | 5) "You need to stand out from the competition, from the crowd, and branding is one of the ways." - <i>Interviewee 1</i> |
| | 6) "To have long term real value creation you have to consistently act according to your brand. You build your brand with the positive and negative things you do on daily basis. For example people can remember us negatively from being late with the production but they also remember us positively because our product never breaks." - <i>Interviewee 3</i> |
| | 7) "Keeping our customers happy grows our brand more than having a good looking customer portal." - <i>Interviewee 3</i> |
| | 8) "I think that having a strong brand would shorten our sales cycle and thus affect the profitability." - <i>Interviewee 3</i> |
| | 9) "Because we are B2B we ourselves are mainly the ones communicating with the customer. And thus we are the brand." - <i>Interviewee 4</i> |
| | 10) "Branding is a huge help in getting first customers and product development, and practically everything. It should be considered actively from the beginning." - <i>Interviewee 5</i> |
| | 11) "Especially tech brands could benefit by doing branding as they are one big mass of similar brands at the moment." - <i>Interviewee 5</i> |
| | 12) "When going to talk to investors it's often also about the brand and that you have thought about the big picture. You need to speak in terms that they understand and you'll need to have thought about who you are and what are your goals." - <i>Interviewee 5</i> |

4.6 Summary of the findings

The findings of the research fit into five main themes that were just introduced. These main themes themselves reveal that the knowledge about branding is in quite general level. Overall, the general opinions about branding seemed to be relatively positive and the consensus between all interview participants was that strong brand positively affects startups performance.

"Of course, the more you do branding the better, but startups are not perfect."
(Interviewee 1)

"There is a correlation between brand and success as you don't see any scaleups or successful startups that don't have well a thought-out brand."
(Interviewee 4)

"Weak brand doesn't have the potential to affect the core business."
(Interviewee 5)

Throughout the interviews even the interviewees own definition of brand could change depending on the question and how it was asked. While the first part of the interviews was very open the second part of the interviews revealed this by going through different themes in branding and challenging the interviewee to focus on one thing at a time. However, significant to this was that the understanding of what brand is seemed to only be widening during the interviews, and never narrowing. This was met with positive attitude with some participants even mentioning this during the interview.

While the overall concept was unclear, the effect of brand on firm performance was met with even more confusion. It was clear that the participants of the interviewees had spent little time thinking of this connection. Thus, the finding from the data were mostly focused on understanding how branding is perceived in the hopes of revealing the true standing of the interviewees on the subject of brand's affect to performance. To better comprehend the findings presented in this chapter, **Table 8** once more brings together the emerging themes and sub themes in more concise format.

Table 8. All emerging main themes and subthemes.

| Main themes | Subthemes |
|---------------------------|----------------------------------|
| Unclarity of the concept | Multifaceted concept |
| | Awareness of branding activities |
| | Feasible action points |
| | Unknown ROI |
| Organizational self-image | Focus |
| | Common direction |
| | Credibility |
| The formation of brand | Background process |
| | Not priority for us |
| | Temporary |
| | Coming to be |
| Founder's role | Founder is the brand |
| | Founders' experience |
| | Brand responsibility |
| Role in growth | Employer branding |
| | Sales |

5. DISCUSSION

In this chapter, the findings of this thesis are discussed in relation to the literature review and research questions. The chapter is structured according to the research questions by first discussing the sub research questions 1 and 2, and then discussing the main research question. The research questions and the themes that emerged from the research are brought together with what was introduced in the literature review.

5.1 For technology startups branding is positive but unclear

To properly understand brand orientation in technology startups the sub research questions of this thesis aim to understand how technology startups perceive branding. The first sub research question focuses on the concept overall. The overall notion of branding was quite positive. Technology startups perceiving branding can be split to four main assumptions: unclarity of brand as a concept, temporal nature of brand, not applicable right now, and founder being the brand. Next these four themes are discussed in closer detail.

The notion of the *unclarity of the concept of branding* first revealed in the literature review (e.g. Bresciani & Eppler, 2010; S. K. Lam et al., 2010; Merrilees, 2007) was endorsed in the findings of this thesis. By now, it is clear that technology startups perceive brand as something unclear and not easy to understand. The findings of this thesis also reveal that startups are doing branding but are just unaware of it. This is in line with Merrilees' (2007) findings that there are diverse set of approaches to branding but they appear to be executed on an unconscious level.

Bresciani and Eppler (2010) describe this unclarity as something crucial to efforts towards branding. The findings of this thesis show that this is more of a barrier to acquiring benefits than a barrier to doing any branding activities in technology startups. This offers some options for theoretical conceptualization including understanding, researching and treating this confusion itself as a brand barrier. Branding activities, such as defining values and visual identity, are something that startups do once they are absolutely necessary even without understanding the bigger concept. The problem with this is that they are not seeing the full picture and are thus deprived of the real benefits of branding. With the narrow understanding of branding the real benefits of it are lost (Wong & Merrilees, 2005).

This notion of unclarity reflects also on the question of how brand is formed. One of the cornerstones of brand orientation is that brand comes from within and should not be separated from the company itself (Wong & Merrilees, 2005). However, this is not how the technology

startups seem to execute their branding activities. In reality, the conscious process starts from the formation of visual elements, and thus leaving away a crucial part of brand formation.

Technology startups perceive branding also as *temporal in nature*. The temporality might be true to some length but once again this is highly focused on the visual elements of brand. The temporality seems to be motivated by the idea of pivoting that technology startups are often doing especially during the problem-solution fit stage of startups' lifecycle. This coupled with the notion that technology startups are perceiving branding as just the visual elements, it is no wonder that startups see branding only as a short-term asset. This is in line with Wong and Merrilees (2005), who describe this as a brand barrier. While this temporal nature is not a new idea, this thesis brings new aspects to brand orientation research by bringing up the relationship between what brand is understood as and what is the length of its lifetime.

On the other hand, this temporal nature of brand perceived by technology startups might also enforce healthy relationship with one's brand. The interviews revealed that seeing brand as temporal also allowed the growth of the brand and seeing the startups own brand as an asset that can be and is improved over time. This is in line with Baxter et al.'s (2013) findings that it is beneficial to actively pay attention to brand and develop it in the long run. With that being said, the temporal nature of brand perceived by technology startups is a two-sided sword either enforcing brand orientation or discouraging it.

The common view within technology startups seems to be that it is *not applicable for oneself* but that others should be doing it. The reality of scarce resources is always present when discussing startups (Ng et al., 2017), and the findings of this thesis shows branding to be one of those things that is easy to discard into the pile of things that are not the priority right now. Brand is seen as a secondary and invaluable asset especially in the early stages of the startup's journey. This notion is highly motivated by the thought of needing to do the whole branding process at once and not understanding branding as an improving entity growing with the startup itself, which was found in both extent literature (e.g. Bresciani & Eppler, 2010) and the findings of this thesis.

On the other hand, the findings prove that the startups perceive branding as something that others should pay more attention to or that would bring more opportunities if executed properly. The reasonings behind these thoughts are not totally uncalled-for as they include some of the common brand barriers brought up in the literature review including the maturity or lack of expertise (Horan et al., 2011; Wong & Merrilees, 2005). However, some of them are also questionable as for example is the case of whether or not you should do branding if you are business-to-business oriented or business-to-customer oriented.

The findings of this thesis give emphasis on the *founder's important role* on the early formation and enhancing of the brand. This notion is largely supported in the research (Merrilees, 2007) It is described that SME founder has a special connection with the startups brand in terms of passion towards it, the controlling role in the company, and more open-minded relationship with branding (Merrilees, 2007). Both the findings and the literature review go as far as to in some cases describing the founder simply being the brand (Merrilees, 2007).

When the interactions between all employees of the company are not as common anymore understanding of the importance of defined brand starts to form on a different level. This is usually also the beginning time during which the time resources are scarce, and the startup would benefit from already having defined its brand. However, as the interviews revealed, most of the time is already too late.

5.2 Indirect effects of branding on technology startup performance

If the idea of branding feels unclear for startups, its perceived affect to performance is on even more abstract level. The second sub research question asks whether or not branding has any perceived affects to technology startups performance as a company. This can be split into three main threads: all or nothing, not significant enough, and motivation.

It is perceived by technology startups that brand can only have an affect once it is executed in full format – it is either *all or nothing*. The smaller effects on performance from creating brand consistently but with small steps are not acknowledged at all. Existing literature agrees that this is often the case with startups as they look for example from bigger corporations (Merrilees, 2007). However, this view of looking at branding is contrary to what is known as the best practice in literature. According to extent research doing branding in small doses from the very beginning is the most beneficial way (Merrilees, 2007). It should be looked at as process, rather than a project (Gromark & Melin, 2011).

It seems to be common opinion that brand has a positive effect on technology startups performance according to both extent literature (e.g. Gromark & Melin, 2011; Wong & Merrilees, 2008) and the findings of this thesis. The findings state that to acquire the real positive benefits of brand on performance, brand should be consistently taken into an account and developed. Moreover, consistently with Brand Orientation Index (BOI), the findings show that startups perceive it important to actually give brand its role and implement it throughout the whole company (Gromark & Melin, 2011). Nevertheless, it should be noted that neither the literature review nor the findings of this thesis specify how much or how fast the development should be. Thus, the conclusion could be drawn that both small and big efforts in brand building should have an effect on performance, but more specific force of it stays unknown.

The findings of this thesis indicate that the affect brand orientation has on technology startup performance is perceived to be *not significant enough* to inspire action. Altshuler and Tarnovskaya (2010) explain this by saying that branding is not seen as a top priority as for startups operational challenges are bigger and they lack the recourses to execute any branding activities. On the other hand, the reason for not prioritizing branding can in some cases be explained by the unclarity of the concept (Bresciani & Eppler, 2010). Both of these lines of thinking emerged from the findings of this thesis.

Notable with this description of brand orientation's perceived affect to technology startup performance is that the findings show it to be time bound. This would mean that the significance of brand's affect to performance changes over time. This is in line with findings of Wong and Merrilees (2005) that during the early stages of startup's journey, they are not able to find the time to execute branding activities. On the other hand, Hirvonen, Laukkanen and Reijonen (2013) found that firm age does not affect the relationship between brand orientation and performance.

The findings of this thesis explain brand orientations affect to technology startup performance through *motivating* current and future employees in inter-functional processes. The findings describe this affect first bridging the feeling of focus, common direction and credibility within the company, and second being able to find the best suitable employees to join the venture. These then furthermore enhancing the performance of a company. This is in line with Boso et al. (2016) who found that this type of morale boosting and sense of togetherness are important factors affecting startup performance through branding. Moreover, they stated that brand orientation has even bigger impact on performance through inter-functional processes (Boso et al., 2016; Iyer et al., 2018).

The findings state that employer branding's role in startup success has increased. With clear brand and culture guidelines it was perceived to be easier to hire good and effective people that are truly motivated to work for the company. The research agrees that in technology startups finding great talent to work for you is crucial. It has been described as is prerequisite for innovation (Peng et al., 2020) which moreover contributes to startup success (Song & Ding, 2019).

5.3 Role of brand orientation in technology startup performance

Finally, this section combines the literature review and research findings in terms of the main research question: "What is the role of brand orientation in technology startup performance?". As introduced in literature review, startup performance can be divided into five factors: human capital, financial capital, cultural factors, social factors, government policy (Le Trinh, 2019).

These factors will be next discussed in connection to the perceived and studied effects of branding to technology startup performance.

Human capital. The results of this thesis indicate that brand orientation has a positive effect on technology startup performance through human capital. This is in line with Iyer et al. (2018) who found that internal branding positively affects firm performance through human capital. Moreover, they conclude that branding plays an integral role in developing processes that promote innovation (Iyer et al., 2018; Merrilees, 2007). Merrilees (2007) concluded that “brand is a focusing tool” that promotes innovation and creative process in companies thus positively contributing to performance.

Financial capital. According to the results of this thesis brand orientation positively supports startup’s performance through financial capital. This is supported by Gromark and Melin (2011) who found that brand-oriented companies have the opportunity to have almost 100% increase in financial performance. However, the results of this thesis the positive relationship between performance and brand orientation is in some cases indirect. To that end, Merrilees (2007) explains that branding increases reputation which increases opportunities for financial support and the attractiveness of the product. To highlight the indirectness even more, researchers have studied the more specific ways in which brand performance leads to financial performance (Agostini et al., 2015; Wong & Merrilees, 2008).

Cultural factors. The results of this thesis show that brand orientation promotes sense of togetherness and common direction in an organization. These are both important attributes of culture that promote performance in an organization (S. S. K. Lam et al., 2002; Ortega-Parra & Sastre-Castillo, 2013). The findings of this research did not identify brand orientations impact on knowledge sharing which was identified as one of the ways culture affects performance (Memon et al., 2020).

Social factors and government policy. These factors of technology startup performance are present in the results of this thesis only lightly as they are external factors affecting it. This thesis focuses on the startups’ internal factors’ role in performance, not the factors it cannot affect itself. Consistently, Le Trinh (2019) concluded that social factors and government policy are the least effective of these five factors in empowering startup performance.

The results indicated that the founding team’s personal relationships affect the opportunities startup has in terms of founding and attractiveness. This is in line with Florin et al. (2003) who found that company is more valuable if it has better social capital, and this value contributes to the firm’s potential performance. Moreover, Le Trinh (2019) concluded that government policy has above all the opportunity to ease governmental friction to allow enhance startup performance.

In conclusion, the role of brand orientation in technology startup performance is perceived and reported to be positive. This was the case with all factors earlier presented as the performance factors for technology startups. Especially the results of this thesis indicate positive relationship to technology startup performance through human capital, financial capital and cultural factors. The external factors, social capital and government policy, were only lightly introduced in the findings as this thesis focused on the internal factors.

Currently in startups brand's role is not perceived as important as it is according to the extent research. The results of this thesis define in more detail the originally introduced gap between what research knows about startup branding and what technology startups are actually doing in practice. However, there is hopeful evidence of development towards greater understanding of the role of brand orientation on technology startup performance. Technology startups already have the right idea but now the question is about finding the ways to execute those right intuitions.

6. CONCLUSIONS

This chapter brings the whole thesis to its the end by concluding everything presented. First, the main findings and implications that this research has uncovered are presented. Then the limitations of the thesis are explored leading up to ending with suggestions for future research.

6.1 Summary of the research

The objective of this research was to reveal the ways that brand orientation affects technology startups performance and moreover understand the role brand orientation plays. This research also explores the mismatch between what research knows about branding and what technology startups are actually doing. On a bigger scale, this thesis aims to contribute to the scarce amount of research done on startup branding.

This research was executed as a qualitative grounded theory research. The empirical research includes semi-structured interviews with people representing technology startups and those working closely with technology startups. To acquire the 8 interviewees, backyard research method was used to find the interviewees. Half of the interviewees represented startups and the rest worked closely with startups.

The results of this research clearly indicate that brand orientation has a positive effect on technology startup performance on multiple levels. This affect currently is hindered by lack of understanding as to what branding looks like for startups. The results of this thesis show that at the moment startups might do some branding, but they are not actively supporting it, and thus they are deprived from the best benefits it can offer. However, technology startups are slowly starting to see how brand orientation affects their performance.

This thesis also emphasized that brand is not something a startup builds overnight but rather an ongoing process that is constantly evolving from the very beginning. This is especially important in startup context as startups reportedly understand branding as something they will do in the future once they are bigger. This thesis suggests that brand orientation affects performance already during the early stages of technology startups journey, and thus they should be paying attention to it now - not some day in the future.

First and foremost, this thesis contributes to extent literature by offering new understanding to what startup branding is and what it looks like. Second, this thesis supports the existing literature in branding as a strategy by offering a qualitative viewpoint to the topic. This was identified as a gap in SME branding research by Odoom et al. (2017). Third, this thesis

contributes to research by offering better understanding on startups' brand barriers and confirming some already presented in literature.

6.2 Practical implications

While more studies are required to establish generalizability, there are some things that startups should learn from the findings of this thesis. The mismatch between what startups know should be happening and what is actually happening regarding startup branding has been clearly visible throughout the thesis. Moreover, it's clear that there is no need for a deep understanding, but even overall practical understanding of what brand is brings value. And thus, the three changes in thinking that startups should incorporate in order to achieve the hoped growth are presented next.

Brand is omnipresent. No matter what you do, you have a brand. It is not something to turn on once its needed, or something that turns off if not nurtured. This very nature of it being an unwitting part of everything you do is one to contribute to the overall confusion around the concept. In fact, not even the researchers have been able to agree on the definition. The result of this thesis suggest that it might well be that admitting the not knowing is an important first step to begin learning what branding means for oneself.

Brand is also omnipresent in terms of what it is. Brand is more than just the visuals, logo or name. Moreover, brand is not just one person's responsibility, but rather the responsibility of everyone. In fact, it could be thought of as like a deep strategic foundation and once embraced helps startups keep on track. Once this narrow understanding of brand is broadened the true value add can begin to happen.

Brand is a "focusing tool". One of the common themes throughout this thesis has been brand orientation's ability to make sense of things and bring focus. Being brand oriented keeps the core of the business in mind and gives validation to your decisions. Having a consistent brand is a great way to avoid these misunderstandings and help all stakeholders understand what you are doing, and thus receiving more support where support is needed.

This nature of brand also fosters motivation and innovation through helping focus the efforts to those things that matter. This is especially important in startups and in the technology industry. Taking the time to figure out your brand helps you in the long run and one of these ways is consistently finding the right employees for you. The idea is that you are not looking for the best there is, but you are looking for the best there is for you.

Brand is process, not project. Branding might seem like a huge effort when the only example you have is what the big corporations are doing, but that's not the only way to do it. Your brand

starts forming from the very beginning and taking small steps like clearly defining the mission and vision are already helping you focus your attention and sharpening your message to stakeholders. To be honest, you have already taken the first steps of branding when the name of the company was decided.

It might be easy to think that the brand you have in the beginning is just temporary as you know that everything will be developed further. But those first versions of your slide deck and investor pitch are not disappearing, they are developing. Every time you use a new wording to explain the mission or vision, that's the brand evolving. Using couple of hours to come up with initial mission statements starts the development of those building blocks.

There is a huge potential in brand orientation for technology startups. With only small shift in thinking a huge difference can be made and the work towards truly transforming brand orientation can begin. Being brand oriented does not require changing everything – just making sure that brand is taken into account throughout the whole company and its decision making. Not taking advantage of brand is neglecting to realize the full potential of the company. Brand is a valuable constantly developing asset that is present with every step of the way from the founding to the end.

6.3 Suggestions for future research

While branding is beginning to be increasingly studied subject in academic research, the lack of branding research in the startup space is still evident. There are multiple paths for future research and in this final chapter of the thesis some of these are introduced.

This research that there is a clear interpretation that branding differs with the orientation of the firm in terms of whether it is business-to-business or business-to-customer startup. Moreover, one overlooked orientation to this is business-to-government. From the data it is clear that there is a perceived difference but no existing research underlines this. Furthermore, there is need for more detailed research on branding practices and benefits in different fields. This thesis focuses on technology startups which is both a broad and a excluding group of startups to limit the research to.

Perhaps one of the biggest single finding of this research was the idea of brand that develops over time. This, however, was not the topic of this thesis and was merely revealed to be an important topic. Thus, one suggestion for future research would be to study in more detail the development of branding and brand orientation in startups over time. This change could potentially help in developing a more comprehensive practical guides for startups to develop their branding and implement a branding strategy. While the firm age has already been studied not to affect the relationship between brand orientation and performance (Hirvonen et al.,

2013), longitudinal studies into how the relationship develops over time are one suggestion for future research.

Furthermore, more specific branding activities should be studied and identified. It is clear from the research that these practices cannot be named, and this is one of the contributors to the unclear understanding for branding. An angle for future research could be to identify the branding practices in the most successful startups, and additionally comparing these to the practices of not successful startups or startups that are not brand oriented.

This research provides understanding into technology startup brand orientation and the key pain points and benefits of that. However, it would be important to complement this research by quantitatively measuring the effects of brand orientation as a strategy to startup's actualized success in objectively measured from the financial success. However, before that a more detailed measurement of brand orientation should be accomplished.

Lastly, one possible path of future research would be to study how the founders' past experience in founding a startup affects the technology startup's brand orientation. The findings of this research would suggest that there would be an increase in brand orientation but again, it was not more closely studied. Thus, it would be interesting to focus on that aspect of brand orientation.

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APPENDICES

Appendix 1: Interview guide for group 1

SET 1: Background

- What is your role at **STARTUP NAME**?
Mikä on roolisi töissä?
- How many employees does your company approximately have and when was the company founded?
Kuinka monta työntekijää teidän yrityksessä on arviolta ja milloin yritys on perustettu?
- How long have you worked for them?
Kuinka kauan oot ollu yrityksessä?
- Can you give a short pitch of your company? To better understand the context for the purposes of this thesis.
Voitko nopeasti pitchata yrityksenne. Tämä kontekstin parempaan ymmärtämiseen myöhemmissä kysymyksissä.
- What is your background and how did you end up working with **STARTUP NAME**?
*Mikä on oma taustasi ja miten päädyit työskentelemään juuri **STARTUP NAME**?*

SET 2: Organizational

- Do you know how your company's brand was created? What is the story behind it?
Miten yrityksenne brändi on kehitetty?
- How has it changed over time?
- Do you perceive your startup to be brand-oriented? Why?
Näetkö oman startupinne brändi orientoituneena? Ja miksi?
- How is the brand currently managed and developed? And by whom?
Miten brändiänne tällä hetkellä johdetaan ja kehitetään? Ja kuka sen tekee?
- Can you name any specific actions that have positively affected your company's brand?
Osaatko sanoa yhtään tiettyä asiaa, joka olisi positiivisesti vaikuttanut yrityksesi brändiin?
- Which (type of) tools do you use to create consistent brand?
Minkälaisia työkaluja käytätte yhtenäisen brändin saavuttamiseksi?
- What do you feel like are the biggest brand barriers (reasons not to do branding) for **STARTUP NAME**?
Mitkä mielestäsi ovat teidän suurimmat esteet brändäykselle? Miksi brändiä ei hyödynnetä?
- How do you feel that you are contributing to the brand? Do you feel like a brand ambassador?
Tunnetko vaikuttavas brändiin? Tunnetko olevasi brändilähettiläs?

- How do you think you could benefit from being more brand-oriented?
Miten uskot, että hyötyisitte, jos ottaisitte brändin monialaisemmin huomioon yrityksenne toiminnassa?
- Where in your company branding is most important/most benefited from?
Missä toiminnassa teillä brändäys on kaikkein tärkeintä/antaa eniten hyötyä?

SET 3: Personal

- How do you think startups best benefit from being brand-oriented?
Miten uskot startupien hyötyvän jos olisivat enemmän brändi orientoituneita?
- Do you think technology startups in general should be more brand-oriented? And why?
Pitäisikö startupien mielestäsi olla enemmän brändi orientoituneita? Ja miksi?
- How would you describe successful brand?
Minkälainen brändi on sun mielestä menestyvä brändi?
- Can you come up with any examples of successful technology startup brands?
Tuleeko mieleen yhtään esimerkkiä menestyvistä teknologia startup brändeistä?
- What is brand orientation in your interpretation?
Selitä omin sanoin mitä brändi orientaatio on.
- What in your opinion affects startups performance the most?
Mikä vaikuttaa sun mielestä startupien tehokkuuteen eniten?

SET 4: BOI

Next, we will go through a different set of questions that you can answer in scale 1 = disagree, 2 = somewhat disagree, 3 = neutral, 4 = somewhat agree, and 5 = agree. This is based on the work of Gromark and Melin in which they introduced a way to measure brand orientation namely Brand Orientation Index (BOI). It divides to 8 dimensions which are next seen in the survey. I ask you to mainly focus on explaining and describing the reasoning behind your choices supporting the numeral answer.

Seuraavaksi käydään läpi vähän erilaisia kysymyksiä, joihin saat vastata sen perusteella, kuinka paljon olet samaa mieltä. 5 on täysin samaa mieltä ja 1 ei yhtään samaa mieltä. Kysymykset perustuvat Gromarkin ja Melinin kehittämään Brand Orientation Indexiin, joka mittaa yrityksen brändi orientoitunutta. Se on jaettu 8 osaan ja seuraavat kysymykset kaikki liittyy aina yhteen noista osa-alueista Toivon, että keskityt vastaustesi perusteluun ja selittämiseen.

Appendix 2: Interview guide for group 2

SET 1: Background

- What is your role at **COMPANY NAME**?
Mikä on roolisi töissä?
- How long have you worked with startups?
Kuinka kauan olet työskennellyt startuppien parissa?
- Can you give a short pitch of **COMPANY NAME**? To better understand the context for the purposes of this thesis.
Voitko nopeasti pitchata yrityksenne. Tämä kontekstin parempaan ymmärtämiseen myöhemmissä kysymyksissä.
- What is your background and how did you end up working with **COMPANY NAME**?
*Mikä on oma taustasi ja miten päädyit työskentelemään juuri **COMPANY NAME**?*

SET 2: Organizational

- What brand related content does your **COMPANY NAME** offer for the startups?
Mitä brändiin liittyvää ohjelmaa tarjoatte startupeille?
- How do you support your startups' in branding activities?
Mite tuette startuppienne bränding toimintoja/työtä?
- When choosing your startups how is brand taken into an account in the decisions?
Valitessanne startuppeja miten brändi otetaan huomioon?

SET 3: Startups

- What are your startups doing individually to build their brand?
Mitä startuppinne tekevät rakentaakseen omaa brändiään?
- How strong brand has affected your startups performance and success? What about weak brand?
Miten vahva brändi on vaikuttanut startuppienne toimintaan ja menestykseen? Entä heikko?
- What do you presume is the general picture of how your startups perceive branding?
Miten koet, että startupid yleensä ajattelevat brändäyksestä?
- Amongst your startups, what seems to be the biggest brand barrier? E.g. If they don't actively do branding, what is the reason for it?
Startuppienne keskuudessa minkä koet olevan suurin este brändäykselle?
- Onko joku startupeistanne erityisen brändi orientoitunut? Miten se näkyy?
Is any of your startups especially brand oriented? How does it show?
- Which factors would you say affect your startups performance?
Mitä asiat vaikuttaa teidän startupien tehokkuuteen?

SET 3: Personal

- Do you think technology startups in general should be more brand-oriented? And why?
Pitäisikö startupien mielestäsi olla enemmän brändi orientoituneita? Ja miksi?
- How do you think startups best benefit from being brand-oriented?
Miten uskot startupien hyötyvän jos olisivat enemmän brändi orientoituneita?
- Where in startups branding is most important?
Missä toiminnoissa startupissa brändäys on kaikkein tärkeintä?
- How would you describe successful brand?
Minkälainen brändi on sun mielestä menestyvä brändi?
- Can you come up with any examples of successful technology startup brands?
Tuleeko mieleen yhtään esimerkkiä menestyvistä teknologia startup brändeistä?
- What is brand orientation in your interpretation?
Selitä omin sanoin mitä brändi orientaatio on.

SET 4: BOI

Next, we will go through a different set of questions that you can answer in scale 1 = disagree, 2 = somewhat disagree, 3 = neutral, 4 = somewhat agree, and 5 = agree. This is based on the work of Gromark and Melin in which they introduced a way to measure brand orientation namely Brand Orientation Index (BOI). It divides to 8 dimensions which are next seen in the survey. I ask you to mainly focus on explaining and describing the reasoning behind your choices supporting the numeral answer.

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Appendix 3: BOI survey

The participants are asked to rate the following statements in terms of how much they agree with the statement between 1 and 5. 1 represents disagree and 5 represents agree. Moreover, the focus was in getting the participants to reason their decision regarding the statements.

Implementation

Brand should be implemented through the whole company/brand subject.
Every employee of the company is a brand ambassador.

Goals & Follow-up

Brand should have clear goals and they should be measured regularly.
Eventually everyone should work towards same goals.
It is important for everyone to understand the big picture and company mission.
Everyone should know how they are contributing to the goals of the company.

Relationships

Brand should be integral part of creating and maintaining relationship with customers.
Brand should be integral part of creating and maintaining relationship with media.
Brand should be integral part of creating and maintaining relationship with general public.

Identity development & protection

Trademark should be registered early-on.
A good brand has clear and consistent visual identity.

Operational development

Core values should be part of business development.
Core values should be part of marketing communication.
Core values should be part of internal communication.

Responsibility & roles

Clear roles should be assigned with regards to accountability and authority of brand management.

Top management's participation

Top management should be involved in brand creation and development.
Founders are the face of the brand and they should represent accordingly.
Everyone in top management is a brand ambassadors.

Approach

Strong brand leads to good profitability.

Brand management is important.

Brand building should be integral part of the company's business model.