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BUILDING A RESPONSIBLE BRAND
Case responsible liquor factory

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ABSTRACT

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The purpose of this research is to describe and analyse how responsible brands are built internally. The purpose is addressed by examining how responsible brands are built in theory and in practice. Both a theoretical and an empirical framework for building responsible brands are presented and conclusions are drawn by bridging the findings together. There is little earlier research on the internal perspective of companies, that is, building responsible brands, and especially empirical research has been non-existent. This thesis addresses this gap.

This thesis combines literature on responsible branding and brand building as well as examines responsible brand building in a real-life context to gain a holistic understanding of the phenomenon. Principles in responsible branding are discussed and brand building literature presented. Integral stages in brand building are then discussed in the context of responsibility and as a result, the theoretical model is presented.

The research approach used in this thesis is case study. Data has been gathered from the case company Pramia by personal interviews, observing and by utilising both private and public documents. In total, nine interviews were conducted. Pramia is an interesting case as it is in the process of building a responsible brand. It operates in a problematic industry, the alcohol industry, which makes the case even more interesting because of the added challenges.

Pramia's responsible brand building is seen consisting of eight themes: vision and purpose, corporate culture and leadership, identity, values, operating environment, long-term goals, factual communication and quality system. An empirical model for building a responsible Pramia is presented based on the findings. Also, reasons for why Pramia has implemented responsibility and the characteristics of responsible brands are discussed in the empirical part.

By bridging the findings of theory and practice it is concluded that the empirical data and theory emphasize similar issues but with slightly varying contents and focuses. A concluding model for building a responsible brand is presented. The model consists of vision and purpose, corporate culture and leadership, identity, value base, key stakeholders, long-term view, factual communication and evaluation. The model is indicative but it points out relevant issues in the process of building a responsible brand.

This thesis addresses a research subject which has received little attention in previous research. New information will be given to a sensitive subject which is difficult to access. Further research is still greatly needed. Especially more empirical research from different industries and company sizes should be gathered and the consumer point of view should also be focused on to get a holistic understanding of responsible brands.

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1 INTRODUCTION

1.1 The world of brands is changing

In the past, companies have been able to create a controllable external brand image and then just push brands into the market to consumers because there were so few sources of information about a company (Lowell & Hahn 2007, 3; Schultz 2009). Nowadays, thanks to the internet, there is no such thing as a controllable external image, as consumers have a completely new view on companies and access to companies' most sensitive internal secrets. Instant word of mouth has become possible, so people who have tried a company's products can report their findings to other consumers in the blink of an eye. "It's as if a company's walls are now made of glass and everyone can instantly read everyone else's minds around the world" (Lowell and Hahn 2007, 4). A revolution in branding has occurred.

Responsibility and ethical issues in business have become increasingly important especially in the 21st century. Consumers and other stakeholders have increasing ethical expectations that they wish to see addressed in one way or another (Crane 2005, 219; Aula & Mantere 2005, 45–47; Brady 2003, 279). Already in 2002, more than a half of all consumers polled in Australia, the USA, Germany, Singapore and the United Kingdom said they had thought about changing brands because of corporate immorality (Blumenthal & Bergstrom 2002, 337). Approximately 75% of British consumers are interested in green shopping in some way (the Economist 2008, 9) and up to 25% of shoppers are "conflicted consumers" which means that though they may look like loyal customers, they are ready to switch brands if a cleaner, greener, more ethical alternative becomes available (Ethical reputation index 2007). In Finland, 67% of consumers report that the responsibility of products affects their purchase decisions at least occasionally, 4% say that corporate responsibility and being environmentally friendly always affect their purchase decisions, and 60% of respondents are willing to pay more for such products (Kauppalehti, 2009). Ethical consumption does not seem to be just a passing trend which companies can overlook.

The global world of today and the communication opportunities the internet affords provide new channels for ethical consumerism. Consumer activism creates added expectations for companies

and brands in terms of responsibility. Companies are being watched more than ever (the Economist 2008, 2). In the UK, for example, a web page Ethiscore (www.ethiscore.org) focuses on evaluating products and companies according to how ethical they are. They categorise brands according to their manufacturers' ethical behaviour. In Finland, too, people who have become interested in ethical brands have created a site for ethical consumers (www.eettinenkuluttaja.net) to evaluate brands by their degree of responsibility. The Finnish site is wiki-based, which means that the readers write and edit the content themselves. Such sites make it possible for concerned consumers to obtain and share information about products before they make purchase decisions.

It is almost unthinkable especially for a large global corporation today to be without a corporate social responsibility policy because company after company has adopted one (the Economist 2008, 13). There are different motivations for why companies want to bring responsibility to brand building (Weber 2008, 248–249; the Economist 2008, 2; Devinney 2009, 52; Kuvaja & Malmelin 2008, 26–27; Willmott 2003a, 363). Corporate social responsibility has positive effects on image and reputation. In addition to consumers, other stakeholders such as society, legislators, and civic organisations also have higher demands for businesses. CSR efforts help to motivate, retain and recruit staff. CSR may provide cost savings, productivity, efficiency, improved access to capital from investors who are ethically aware as well as revenue increases from higher sales and market share. Risk management is perhaps the most discussed motivation as CSR is used as a means to avoid and manage negative press, boycotts and legal actions (Weber 2008, 249; the Economist 2008, 2; Klein et al. 2004, 215; Devinney 2009, 52; Kuvaja & Malmelin 2008, 26). It is becoming more difficult for companies to turn their backs on growing expectations, which emerge outside as well as inside the company.

Creating responsible brands is one possible answer to these increased expectations. According to Kitchin (2003a, 312), brands mediate the promises of organisations to consumers and it is brands that contextualise the relationship between customers and the company. Fan (2005) points out that a brand is no longer merely the interface between the company and its customers, but forms the face of the company. Brands are at the forefront of business life, and if responsibility is to have meaning, brands and branding must change. Consumers expect legislators, brands and business to take care of the ethicality of their products (Witikkala 2008). Consumers assume that brands will take care of responsibility on their behalf, so it would be easier for them to make decisions.

There is a large gap between what companies aspire to do and what they actually do (the Economist 2008, 3). Words alone from the corporate level are not enough; real actions are required. Incorporating responsibility to business makes sense but how to actually build a responsible brand without leaving it to mere PR remains the question.

1.2 Purpose of the study and research questions

Topics concerning responsibility issues have grown tremendously in the 21st century. Responsible brands, however, is a fairly new and unexplored research subject. Research concerning responsible brands can be seen to be divided to an external and internal perspective, that is, a customer and company perspective. Research related to responsible brands has focused on the customer perspective, specifically whether responsibility or ethicality has an effect on customer behaviour and if so, how (e.g. Folkes & Kamins 1999; Carrigan & Attalla 2001; Klein & Dawar 2004; de Pelsmacker et al. 2005; Anselmsson & Johansson 2007; McEachern et al. 2007; Szmigin et al. 2007; Madrigal & Boush 2008; Jahdi & Acikdilli 2009; Poolthong & Mandhachitara 2009; Brunk 2010). The research includes both quantitative and qualitative research. The external perspectives have focused especially on brand image or reputation. In general, a positive link between ethical issues and customer behaviour was identified, but the link is not straightforward. It seems that there needs to be initial interest in CSR for it to have an impact on brand evaluations (e.g. Carrigan & Attalla 2001; Klein & Dawar 2004; Madrigal & Boush 2008).

So far, the internal perspective has received less attention than the external perspective. The internal perspective of the companies has only been addressed by literature reviews and on a conceptual level for example exploring ethical products, describing concepts, principles and presenting new models (Crane 2001; Abela 2003; Maio 2003; Willmott 2003a; Fan 2005; Polonsky & Jevons 2006; Lowell & Hahn 2007; Polonsky & Jevons 2009). Only one article contained empirical research and it was telephone and email interviews (Blumenthal & Bergstrom 2003). It would seem that an internal perspective on responsibility—that is, branding—is lacking. This refers to the internal processes of the organisation that are used to create brands. When responsible brands are concerned, it is crucial that words and actions match—otherwise the company's credibility is lost (Crane 2005, 228; Maio 2003, 236). Thus, it is important that the internal processes and the external image, in other words branding and brand, support each other. Brands need to be based on true values and processes. Figure 1 depicts the field of research and research opportunities on responsible brands.

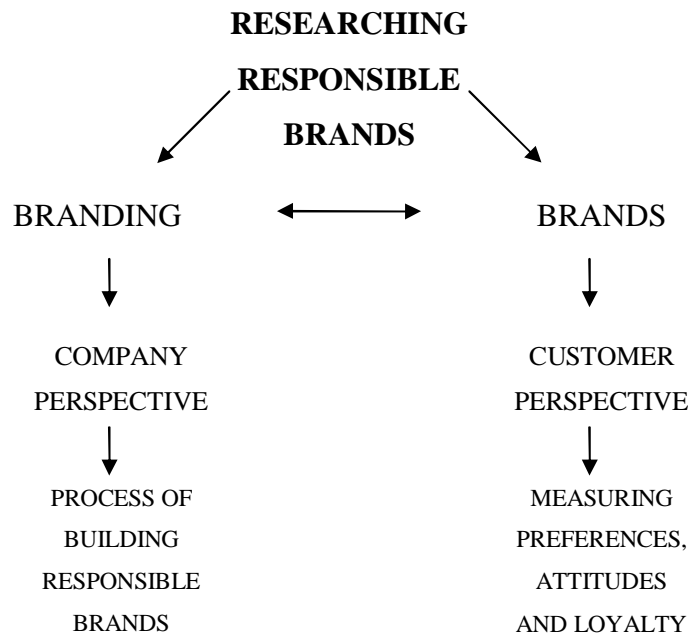


Figure 1 Framework for researching responsible brands (Kujala & Penttilä 2009)

The research field can be seen to be divided into two entities: branding and brands (Kujala & Penttilä 2009). Branding is viewed from the company perspective and brands from the customer perspective. Researching the company perspective implies diving into the process of building brands and the customer perspective implies measuring things such as customer preferences, attitudes, and values. Brands and branding are of course intertwined, but the figure helps in determining the perspective where to look at the topic.

It seems logical that research should begin with brand building as a true responsible brand cannot be created without the real process behind it. There seems to be little earlier research on building *responsible* brands. Empirical data in particular is missing. The objective of this thesis is to fill this gap. Fan (2005, 348) has directly suggested further research on how companies create and communicate an ethical brand.

The purpose of this research is to describe and analyse how responsible brands are built internally. The research purpose is specified with the following research questions:

- How are responsible brands built in theory?
- How are responsible brands built in practice?

After answering these research questions, the results will be examined together and conclusions will be drawn on responsible brand building. The collected empirical data is integral in answering the purpose of this thesis because theoretical knowledge on the subject is scarce. This thesis looks at the subject of responsible brands from the perspective of the company. The view is limited to corporate brands that already exist. A corporate brand means expressing outwardly the internal identity and core values of the company. Companies are bodies with a soul whereas product brands are more imaginary constructions, relying on intangible values which have been invented to fulfill the needs of clients. Corporate brands are built on reality (Kapferer 2008, 28). One of the premises of responsible brands is that they are built on reality and on the actions of the company and thus it is evident that the perspective has to be corporate brand. The case company in this thesis has formerly brought out mainly its product brands but it has begun to put weight on its corporate brand. This thesis will not examine building completely new brands, either.

1.3 Key concepts

1.3.1 Brand & branding

According to the American Marketing Association (2010), “a brand is a customer experience represented by a collection of images and ideas; often, it refers to a symbol such as a name, logo, slogan, and design scheme. Brand recognition and other reactions are created by the accumulation of experiences with the specific product or service, both directly relating to its use, and through the influence of advertising, design, and media commentary.” De Chernatony and McDonald (2003, 25) describe the term brand as follows: “a successful brand is an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs most closely. Furthermore, its success results from being able to sustain these added values in the face of competition.”

A brand is more than just the sum of its component parts. It embodies additional attributes or added values, such as emotional values that customers might find difficult to articulate. Companies should always keep in mind that the final form of a brand is the mental evaluation held by the purchasers or users (de Chernatony & McDonald 2003, 24). Meyers (2003, 23) points out that rather than being an object of exchange, a brand can be viewed as the sum total of

relationships among stakeholders or the medium through which stakeholders interact and exchange with each other. According to Kitchin (2003b, 71) brands frame our understanding of the world. He depicts the importance of brands by the following continuum: “Brands drive relationships, relationships liberate knowledge, knowledge generates insight, insight drives innovation, innovation drives transactions, transactions create value, which reframes the brand and so on and so on”.

With regard to branding, the definition presented by Fan (2005, 342) is accepted. He describes branding at corporate level as “developing and managing the relationship between the organisation and its various stakeholders as well as the general public.” This definition implies a process of creating identity and building a relation between the brand owner and the audience of a brand. Thus, the view is relational, which calls attention to the obligations and responsibilities in the relationship which branding creates.

1.3.2 Responsibility

A mixture of different views to approach responsibility in branding has been presented over the past few years. However, no common understanding has been achieved on the concepts used. Instead, there is a large body of different terms to refer to responsible brands. Partly this is because the terminology and the research tradition concerning corporate responsibilities are so vast. Corporate responsibility issues have been addressed at least in the research traditions of business ethics, corporate social responsibility (CSR), corporate responsibility, sustainability and corporate citizenship. Deriving from these research traditions, responsibility issues in branding have been addressed with concepts of citizen brand (Willmott 2003b), ethical brand (Brunk 2010, Szmigin et al. 2007, Fan 2005, Crane 2005, Maio 2003), sustainable brand (Maio 2003) and CSR brand (Brüggenwirth 2006, Polonsky & Jevons 2006).

Crane (2005, 226) defines ethical brand as follows: “Ethical differentiation or augmentation is essentially a process of creating an ethical image, a good reputation or what marketers typically refer to as a socially responsible or ethical brand.” Maio (2003, 239) elaborates the concept further: “Responsible companies are not just participating in sustainable practices; responsible companies that have the trust of their stakeholders demonstrate attributes that go beyond what is sustainable.” Kitchin (2003a, 315) points out that brand is the prime determinant of relationship

responsibility as brands strongly imply promises made by connecting one experience with an organisation to the next. According to Willmott (2003b, 226), the circumstances of each business, such as the history and previous activities and associations, the sector of operations, and the particular concerns and interests of employees and other stakeholders, should be taken into account in branding. The branding decisions should be based on what suits the company or the brand.

In this thesis, the concepts of responsible brand and responsible branding are used as they cover the economic, social, and environmental aspects of corporate responsibilities (Confederation of Finnish Industries 2010; Kujala & Kuvaja 2002, 160) regarding brands and branding most exhaustively. Responsibility refers to being responsible to different parties or stakeholders such as employees, customers, society, environment and the planet. Being responsible does not only point towards environmental responsibility but towards responsibility in general. It is for the companies to determine which aspect of responsibility they should highlight or focus on, or whether to focus on all of them.

1.4 Structure of the study

The structure of this thesis can be divided into two parts: the theoretical and the empirical part. They have been addressed separately, even though in practice they have influenced each other along the research. The structure of the study is depicted in figure 2.

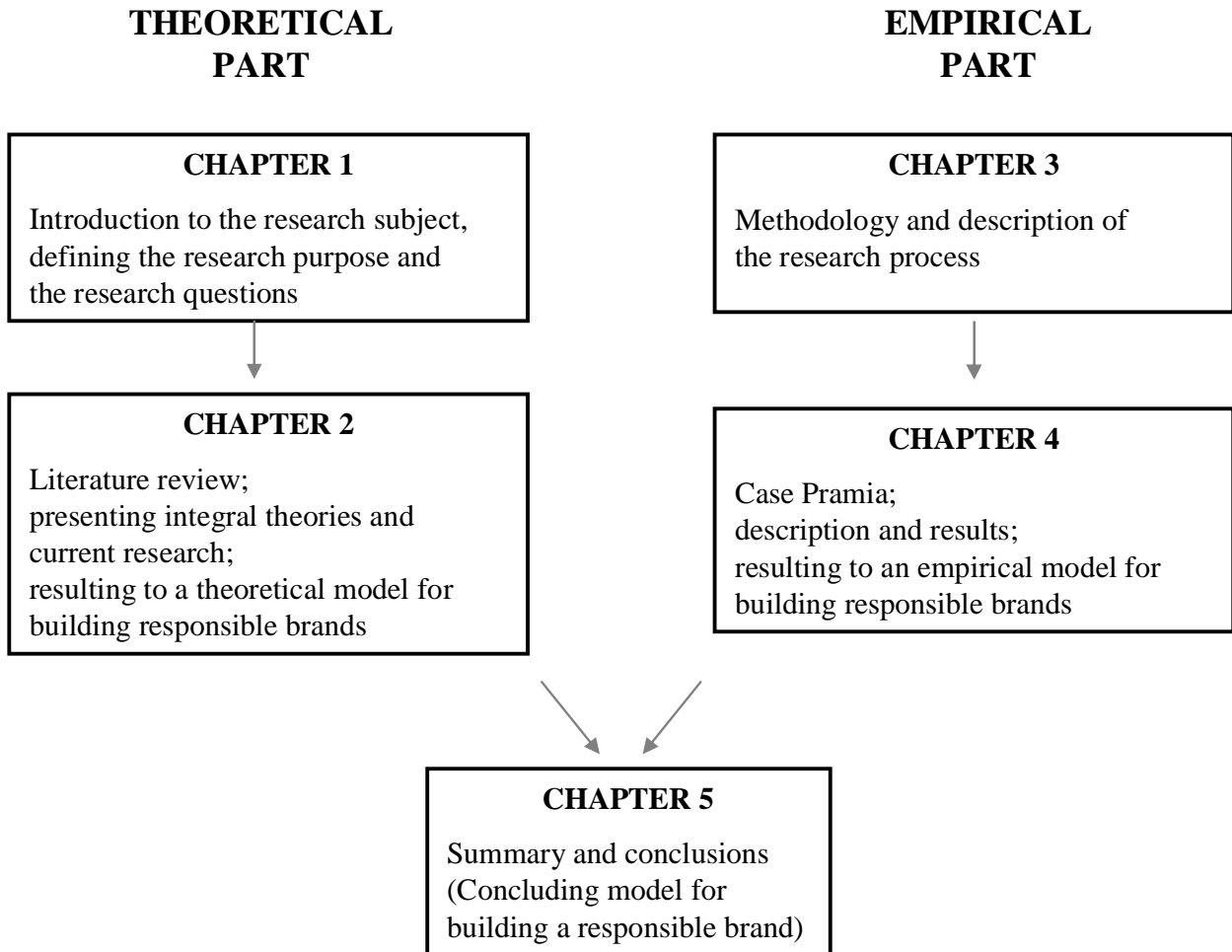


Figure 2 Structure of the study

Chapter one begins with an introduction to the research subject. Earlier research on the subject is presented and the research purpose and the research questions are argued based on those findings. In the end of chapter one, key concepts are also unfolded. Chapter two is the main theory chapter which links brand building literature to the context of responsibility. First principles in responsible branding are introduced. Then existing literature on brand building is presented and key issues in brand building are identified. Next they are modified to key stages in brand building that are then discussed and completed with literature on responsibility. In the end of chapter two (chapter 2.4), a priori theoretical model for building responsible brands is presented.

The empirical part begins in chapter three by examining the methodology used in this research and describing the research process. Data gathering, analysis and evaluation of quality are presented. The case company is also introduced and the choice is explained. Chapter four focuses

on the empirical data and brings forth a report of responsible brand building in the case company, Pramia. The chapter begins by describing the case company and its history. Next, the analysis and researcher's interpretation of the data is explicated through themes identified from the data. In the end of chapter four (4.4), the conclusions on the responsible brand-building of the case company are presented and an empirical model for making the case company responsible.

Chapter five summarises the theoretical and empirical parts and bridges them to draw conclusions on responsible brand building. A concluding model for building a responsible brand is depicted. Finally future research opportunities are suggested.

2 BUILDING RESPONSIBLE BRANDS

2.1 Principles in responsible branding

Taking advantage of responsibility in branding is the agenda of many companies nowadays. For responsibility to be more than PR and for it to be incorporated into the company, certain principles have been identified. Maio (2003), Yan (2003) and Willmott (2003b) have discussed principles of responsible brand building from different viewpoints. Summary of the principles can be seen in table 1.

Table 1 Principles in responsible brand building

| Author | Principles or elements in responsible brand building | Viewpoint |
|-------------------------|--|--------------------------|
| Maio (2003) | <ol style="list-style-type: none"> 1. Take a real stand for matching the talk with the walk 2. Take the long, strategic view 3. Sensitize over, under, sideways, down 4. Build social value(s) 5. Dance with more of the people, more of the time 6. “Kill the Buddha” 7. Know, and heal, thyself 8. The brand is porous: manage osmosis | Ethical branding |
| Yan (2003) | <ol style="list-style-type: none"> 1. Branding unites people’s passions 2. Brands must have focus to be relevant 3. Branding is about delivering what you promise 4. Good brands should make people happy 5. Finance is broken 6. Brands are not advertisements 7. Brands bring humanity to the organisation 8. Brands create community | The brand manifesto |
| Willmott (2003b) | <ol style="list-style-type: none"> 1. Focus is not cynical 2. Values and reputation 3. Transparency 4. Employees 5. Keep executive pay under control 6. Competition is good 7. Who should develop and manage the citizen brand strategy? 8. Citizen brand is not a sufficient condition | Becoming a citizen brand |

Maio (2003, 236–246) describes eight guidelines for ethical branding: (1) matching the talk with the walk, (2) taking a long, strategic view, (3) sensitising over, under, sideways, down, (4) building social value, (5) dancing with more of the people, more of the time, (6) “killing the Buddha”, (7) knowing and healing thyself and (8) managing osmosis. Matching the talk with the walk refers to delivering what is promised in communication. The second principle urges to plan corporate activities in the long-term which is something that should come automatically when

initiating corporate responsibility. The third principle refers to listening to a much broader group of stakeholders. Building social value refers to the notion that companies need to demonstrate strong values and attributes in a more deliberate manner than before to become a trusted company. The fifth principle refers to engaging and involving the stakeholders to develop and create solutions for the brand. “Killing the Buddha” means letting go of too much corporate control and trusting the voice of the engaged stakeholders. The seventh principle refers to knowing how internal stakeholders see the company and where they would like to see it and then developing the company to the desired direction. The last principle highlights that brands are in many ways co-owned by the corporation and its stakeholders and thus the different and demanding audiences and their needs need to be taken into consideration and managed.

Yan (2003, 205–218) explains what brands are meant to do with the brand manifesto which consists of eight principles: (1) branding unites people’s passions, (2) brands must have focus to be relevant, (3) branding is about delivering what you promise, (4) good brands should make people happy, (5) finance is broken, (6) brands are not advertisements, (7) brands bring humanity to the organisation and (8) brands create community. The first principle suggests that brands may unite people better than organisational edicts or mission statements as brands are a more suitable interface between the organisation and its audiences. With the second principle Yan emphasises that brands must have a clear focus and it has to penetrate the entire organisation to be relevant. The third principle implies that the strongest brands are the promise-keeping ones and failing to keep promises leads to embarrassing exposés. The fourth principle states that whatever the brand offers, it must make consumers happy and satisfied after the purchase process and by being involved in real responsibility can nowadays be the way to make people happy. With the fifth principle Yan points to the impact of brands on business performance and that the short-term financial side should not be the only focus. The way of thinking that what affects stockholders is important and what affects everyone else is not important needs to change. The sixth principle emphasises that branding and promotion are different things as brands not only speak or sell but act and some of the best brands do not even need advertising. The seventh principle points out that employees can feel tied to a brand that represents the ideals and visions of the organisation but no employee can feel tied to numbers. The last principle suggests that brands are created by everyone around them and consumers should be involved in branding.

Willmott (2003, 227–235) has identified certain elements in becoming a citizen brand which are (1) focus is not cynical, (2) values and reputation, (3) transparency, (4) employees, (5) keep executive pay under control, (6) competition is good, (7) person in charge of developing and managing the citizen brand strategy and (8) citizen brand is not a sufficient condition. First of all, Willmott emphasises that focusing on responsibility issues shouldn't be seen cynically as exploitation of a company's market position but as complementarity and synergy between business and society. The second element states that for responsibility to have an impact on the reputation and for it to truly become a part of the values and equity of the brand, the company must be honest. By honesty Willmott means that the activities must be sincere and exist from top to bottom. Transparency refers to not only telling audiences what the company is doing but more importantly providing transparent links to the beliefs, values, activities and behaviours of the company.

Employees are a critical part of the efforts in becoming a responsible brand, according to Willmott. For the brand to succeed, employees at all levels must be aware of and buy into the company values but they also need to feel validated and valued by the company. The fifth element urges to keep executive pay under control as it is the most obvious place for possible dissonance between the values and practices of a business. Excessive pay is not consistent with the values of a responsible brand. The sixth element points out that competition is good for responsible brands as people are unlikely to view the company open, honest and trustworthy if it effectively controls a market. Another element in becoming a citizen brand is the person in charge of the strategy. Issues concerning responsible branding are of such importance for the vision, culture and strategy that it should be the responsibility of the CEO or someone who reports directly to him or her. It cannot be left to the marketing department. The last point of citizen brand not being a sufficient condition stresses that companies should not be diverted from everyday good practice by the responsibility efforts. They need to run alongside or be integrated into other aspects of management. Problems arise if core business is forgotten.

Maio (2003), Yan (2003) and Willmott (2003b) emphasise similar issues with regard to responsible brands. First of all, responsible brands need to deliver what they promise in communication. Focus is on the long-term and the short-term financial goals need to be examined so that they fit the long, strategic view. Different stakeholders inside and outside the company are taken into consideration and engaged in the operations of the company to create

innovative solutions. Responsible brands also create a new kind of a community surrounding it. Stakeholders' value to the company is considered more important than before. Employees are seen as a critical part in implementing the responsible brand. It is crucial that the operations of the company are kept as transparent as possible to create credibility and good reputation. Nevertheless, when creating a responsible brand there needs to be an underlying understanding that the core of the business cannot be forgotten. Products and services still need to be produced efficiently and of good quality with awareness of customer needs (Willmott 2003, 234).

2.2 Existing models in brand building

Brand building is not an easy task. Many different aspects need to be considered. There are substantial pressures and barriers, both internal and external, which make brand building challenging (Aaker 2002, 26). According to Aaker, there are eight factors that make it difficult to build brands: pressure to compete with price, proliferation of competitors, fragmenting markets and media, complex brand strategies and relationships, bias toward changing strategies, bias against innovation, pressure to invest elsewhere as well as short-term pressures. Many of these problems are however in the control of the company. The complexity of brand building shouldn't however be seen as a barrier (Hogan, Almquist & Glynn 2005, 12). Brand leaders have shown that it is possible to create and sustain an asset that can have real long-term value.

Aaker and Joachimsthaler (2000, 262–263) describe three brand-building tasks: (1) create visibility, (2) build associations and create differentiation, and (3) develop deep customer relationships. These tasks are guided by brand identity and brand position. Visibility consists of recognition, unaided recall and top-of-mind status. Companies need to create strong associations and to differentiate the brand. The authors also point out that really strong brands go beyond visibility and differentiation to develop deep relationships with a customer group so that the brand becomes a meaningful part of the customer's life and/or self-concept.

Aaker (2002, 78–79) created a brand identity planning model consisting of three major entities: (1) strategic brand analysis, (2) brand identity system, and (3) brand identity implementation system. Strategic brand analysis means that the brand strategy is viewed from the perspectives of customer analysis, competitor analysis, and self-analysis. The brand identity system stage

includes creating brand identity, value proposition, credibility and brand-customer relationship. The brand identity implementation system embodies brand position, execution and tracking.

De Chernatony (2003, 74–78) identified eight stages in building and sustaining brands: (1) brand vision, (2) organisational culture, (3) brand objectives, (4) audit brandsphere, (5) brand essence, (6) internal implementation, (7) brand resourcing, and (8) brand evaluation. In the brand vision stage, the envisioned future, the purpose of the brand and brand values need to be defined. Next, the focus is on organisational culture as culture can either help or hinder the development of a brand. In the third stage, the brand vision is translated into brand objectives, which in turn provide a target and information on what needs to be achieved. In the auditing brandsphere stage, managers are encouraged to audit the five key forces (corporation, distributors, customers, competitors and the macro-environment) that are critical to the brand. The brand essence stage means that the main characteristics that define the brand are identified. The internal implementation stage suggests that the structure of the organisation should be considered to deliver the promise of the brand. In the brand resourcing stage, the implementation is considered in more detail (for example selecting vehicles of communication). Finally, brand evaluation includes regularly monitoring brand performance against key criteria.

Urde's (2003, 1024–1035) core value-based brand building model consists of the internal and external brand building processes. The model is built on the idea that the identity of a brand is developed as a continuous and ongoing interaction between the identity of the organisation and the customer. The model is based on the core values that guide the process and consists of ten stages: (1) mission, (2) vision, (3) organisational values, (4) core values, (5) brand architecture, (6) product attributes, (7) personality, (8) brand positioning, (9) communication strategy, and (10) internal brand identity. Brand building based on core values starts with the mission which describes the brand's fundamental reason for existence. Mission needs to have a foundation in value base of the organisation. The brand vision describes where the brand wishes to be in the next few years and serves as an inspiration for goals and a stimulus for development. The values of the organisation are the foundation of the core values. They show what the company stands for and what makes it what it is. The next phase in the process is core values, which are the backbone of the building process. Three core values can be identified: functional, emotional and symbolic. Core values perform a double function as the organisational values are translated into the core values and core values are then translated into customer added value.

In Urde's model (2003), brand architecture means deciding how the company organises and uses its brands. This includes decisions regarding the number of brands, types of brands and the brand roles. The selection of architecture is affected by core values and identity, and vice versa. The product attribute stage implies that the core values need to be built into the product. The goal is to make the product exude the identity of the brand. In the brand personality stage, the impressions that the communication creates and the values that the company claims to stand for need to be harmonised. The positioning of the brand needs to be based on core values, making it more enduring and more deeply rooted in the values of the organisation. In the communication strategy phase, the brand acquires a meaning and content in keeping with the brand identity. The core values are expressed and translated into messages that interest and appeal to customers. Lastly, the internal brand identity implies that it is important that everyone in the company should understand and be in agreement as to what the core values are and what they represent, so that the core values can serve as a link between the company and its customers.

Schultz (2005, 184–214) identifies five phases of corporate branding: (1) stating, (2) organising, (3) involving, (4) integrating, and (5) monitoring. The branding processes may not be so straightforward in companies, and some may start from another cycle than stating or they may be conducted simultaneously. The stating phase refers to expressing the identity of the organisation and who the organisation wants to become (strategic vision). The organising phase aims to support the restated vision and identity of the brand by reshaping organisational structures and processes. The involving phase focuses on the engagement of all relevant stakeholders in the further realisation of the corporate brand. The integrating phase refers to moving forward in the organisation-wide alignment by further reducing gaps between the vision, culture and stakeholder images and their relations to the brand identity. The fifth phase, monitoring, concentrates on ensuring that the company is able to measure or monitor the performance of the corporate brand in relation to all brand elements and the relationships between them.

Wheeler (2006, 72–73) in her "Complete guide to creating, building and maintaining strong brands" focuses on the brand identity process. The process consists of five stages: (1) conducting research, (2) clarifying strategy, (3) designing identity, (4) creating touchpoints and (5) managing assets. The first phase is about clarifying vision and values, researching stakeholders, conducting audits, and interviewing key management. Clarifying strategy refers to issues such as synthesising learning, clarifying brand strategy, developing positioning, and achieving

agreement. In the third phase, designing identity, the purpose is to visualise the future, brainstorm the big idea, design brand identity and finalise brand architecture. Creating touchpoints entails bringing the major decisions made in the earlier phases to life. This implies such things as finalising identity design, developing look and feel, designing programme, and applying brand architecture. The last phase, managing assets, is the hardest one. Managing assets means building synergy around the brand, developing a launch strategy and plan, launching internally and then externally, as well as developing standards and guidelines.

Ghodeswar (2008, 6) examines brand building in the Indian context. He develops a conceptual model for building brands consisting of four stages: (1) positioning the brand, (2) communicating the brand message, (3) delivering the brand performance and (4) leveraging the brand equity. The positioning stage concentrates on the features, tangible and intangible attributes, product functions and benefits of the brand. Advertising campaigns, themes, celebrities, events, shows and the consumer are pointed out in the second phase. Product and service performance, customer care, customer satisfaction and customer delight are stressed in the third phase. In the final stage, line and brand extensions, ingredient branding, co-branding, brand alliances and social integration are highlighted.

Merrilees and Miller (2008, 539–540) focuses their research on corporate rebranding, which means a shift from an initially formulated corporate brand to a new formulation. They identify three dominant themes that are important in rebranding: (1) the need to revision the brand on a solid understanding of the consumer, (2) the use of internal marketing or internal branding to ensure the commitment of the relevant stakeholders, and (3) the role of advertising and other marketing mix elements in the implementation phase.

A summary of the different brand building models is presented in table 2. The first column presents the author(s) of the model and the second column the different stages, elements or themes of the model. The key concepts of each model are identified in the third column and the fourth column summarises the viewpoints on brand building.

Table 2 Brand building models

| Author | Stages, elements or themes in brand building | Key concepts | Viewpoint |
|--|---|---|--|
| Aaker & Joachimsthaler 2000 | <ol style="list-style-type: none"> 1. Create visibility 2. Build associations and create differentiation 3. Develop deep customer relationships | Brand identity defined as a vision of how the brand should be perceived by its target audience | Brand identity |
| Aaker 2002 | <ol style="list-style-type: none"> 1. Strategic brand analysis 2. Brand identity system 3. Brand identity implementation system | Brand defined as a strategic asset that is the key to long-term performance and should be so managed | Brand identity |
| de Chernatony 2003 | <ol style="list-style-type: none"> 1. Brand vision 2. Organisational culture 3. Brand objectives 4. Audit brandsphere 5. Brand essence 6. Internal implementation 7. Brand resources 8. Brand evaluation | A successful brand defined as an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique, sustainable added values which match their needs most closely | An integrated brand, co-ordinating all value-adding activities |
| Urde 2003 | <ol style="list-style-type: none"> 1. Mission 2. Vision 3. Organisational values 4. Core values 5. Brand architecture 6. Product attributes 7. Personality 8. Brand positioning 9. Communication strategy 10. Internal brand identity | A corporate brand and its value foundation where the nature, role, and function of core values are considered as a central part | Core values |
| Schultz 2005 | <ol style="list-style-type: none"> 1. Stating 2. Organising 3. Involving 4. Integrating 5. Monitoring | Corporate branding defined as a process where an organisation can continually work out its purpose that is meaningful to people inside and outside the organisation | Organisational change |
| Wheeler 2006 | <ol style="list-style-type: none"> 1. Conducting research 2. Clarifying strategy 3. Designing identity 4. Creating touchpoints 5. Managing assets | A brand defined as the promise, the big idea, and the expectations that reside in each customer's mind about a product, service, or company | Brand identity |
| Ghodeswar 2008 | <ol style="list-style-type: none"> 1. Positioning 2. Communicating 3. Delivering 4. Leveraging | A brand defined as a distinguishing name and/or symbol intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors | Brand identity |
| Merrilees & Miller 2008 | <ol style="list-style-type: none"> 1. Re-visioning 2. Ensuring commitment 3. Implementing | Corporate rebranding defined as disjunction or change between an initially formulated corporate brand and a new formulation | Rebranding |

It seems that there are certain common issues that emerge from the existing brand building literature: (1) brand vision, (2) analysis of the operating environment, (3) brand identity, (4)

internal coherence, (5) positioning, (6) implementation or execution and (7) evaluation or monitoring. Brand vision is emphasised in almost all of the models. It is important to ascertain what is wanted in the future and the desired outcome, so that the vision can serve as a guide in the process. Analysing the present situation or stakeholders is something that many of the authors highlight at some point in the process. Companies need to know what the starting point is to move forward. Brand identity is also a common factor among the different authors. A brand needs to have a coherent identity which proclaims what the brand stands for. Brand identity is seen as the core or heart of the company. Internal aspects of the organisation are indicated with different concepts such as organisational culture, values, integration and internal support. This suggests a need for internal coherence. Positioning also emerges from the literature as an important concept. Brand positioning refers to how the company wants the brand to be positioned and perceived. In all these models implementation or execution is highlighted in some way in the final stages of the brand-building process. Evaluation or monitoring is also a stage that authors seem to agree upon.

2.3 Bringing responsibility to brand building

Integral issues in brand building were identified in the literature in the previous chapter and they are next modified to stages and explicated and discussed in the context of responsibility. Stages that will be discussed are (1) identifying vision, (2) analysing key stakeholders, (3) creating brand identity, (4) defining brand objectives, (5) implementing and (6) evaluating. Not many authors highlighted brand objectives separately in the brand-building literature but they were embedded in it. The importance of objectives became clear in the context of responsibility and thus it is highlighted separately.

2.3.1 Identifying vision

A suitable brand vision balances the need to satisfy the core ideology of the corporate brand while advancing the brand for it to remain relevant to contemporary conditions (Merrilees & Miller 2008, 540). Yan (2003, 205) urges companies to involve the whole organisation, not just top management, when forming the vision. This way the employees are more committed to its implementation. Also, there may be no false claims about saving the planet (or other responsibility issues); yet the vision must be focused and real enough to have meaning for people

(Yan 2003, 207). The vision is crucial for the responsible brand-building process because it gives them purpose and guides the company's efforts.

According to de Chernatony (2003, 88–114), a powerful brand vision consists of three components: (1) the desired future environment, (2) the purpose and (3) the values. These components are interlinked and self-supporting. The company should have a vision of the future environment ten years hence. This encourages thinking in the long term and about discontinuities that will result in changes. A motivating brand purpose can be identified by answering the question, “how is the world going to be a better place as a consequence of the brand and will this inspire and guide staff?”. The brand purpose differentiates the brand but most importantly it motivates staff in the long term, it is the brand's reason for existence. Brand values are very important as people buy the brands whose values concur with their own and potential employees are attracted to organisations with similar values. Thus, values have an impact both internally on employees and externally on consumers. Problems occur if managers announce what the values of the brand should be but fail to gain the commitment of personnel to enact them and as a result actual values differ from the intended ones.

2.3.2 Analysing key stakeholders

Companies need to audit their brandsphere to discover the forces that might promote or impede the brand (de Chernatony 2003, 167). Aaker (2002, 190) recommends contemplating brand strategy from three perspectives, namely customer analysis, competitor analysis and self-analysis. The goal is to create a business that resonates with customers, avoids competitor strengths and exploits their weaknesses, and takes advantage of its own strengths and neutralises its weaknesses. Ryder (2003, 156) points out that: “At the end of the day, for any commercial organisation, the customer is the only reason you are in business”. The organisation needs to obtain information on its customers, how they buy the brand, and how the brand meets the customer's needs (de Chernatony 2003, 187). Is the brand giving customers what they need? The context of responsibility makes pleasing consumers even more challenging. Morsing (2006, 104) says that consumers do not necessarily assume that there is organisational support behind the aesthetic brand promise, but with corporate moral brands, consumers expect that the organisation is ready to live up to its moral claims. Companies need to ascertain whether consumers really

care about responsible branding. Even though consumers generally do have ethical concerns, such concerns do not necessarily show in their actual purchasing behaviour (Fan 2005, 347).

In addition to customers, companies need to evaluate their brands against key competitors and find out how they are differentiated (de Chernatony 2003, 189–190). By examining what the competitors have to offer, the company can evaluate what its brand has to offer and what makes it unique against the alternatives. Many companies are nowadays more or less trying to differentiate themselves through responsibility. When addressing ethical markets, companies need to evaluate the competitive pressures and determine whether it is wise to orientate to the mainstream or ethical niche. Mainstream companies may have more difficulties in sustaining a convincing ethical differentiation as they are in intense scrutiny (Crane 2005, 226).

In responsible brand building, the self-analyses of the companies become ever more important. The purpose of self-analysis is to find out whether the company is able to realise the vision it pursues. The company needs internal alignment, which means that the values of the organisation, brand, and employees all need to be aligned (de Chernatony 2003, 169). According to Moore (2003, 111), “the most common reason why employees are negative and cynical about the way they are managed is because the company articulates one set of values (usually hopelessly idealistic) and manages by a completely different set.” In responsible brand building, internal coherence becomes more important than ever before. Responsible brands make a promise that the organisation and its employees are able to support the moral promises. As companies move their corporate brands from aesthetic to responsible, the fulfilment of these promises is ultimately a concern for employees, as their personal morals become associated with the corporate moral and vice versa (Morsing 2006, 104).

De Chernatony (2003, 173; 197) adds to the forces that need to be analysed other stakeholders such as distributors and the macro-environment. The different forces need to support the purpose of the brand. The influence of both distributors and suppliers grows when a company addresses responsibility. Some of the largest scandals, such as that involving Nike and the sweatshops, have come to light due to practices with suppliers or distributors. Companies are expected to ensure the ethicality of the whole supply chain. The macro-environment needs to be scanned regularly, too, to identify opportunities and threats.

In the context of responsibility, analysing key stakeholders is a way of finding the factors in the stakeholder environment that might support or undermine the efforts towards responsibility. Companies should learn how to listen before acting. Responsible brands need to engage in stakeholder dialogue. According to Maio (2003; 238, 241–242), corporations should listen to a wide group of constituents and take a stakeholder engagement approach. Historically the focus has been on customers and investors, but the range of active constituents has expanded dramatically due to globalisation. The focus needs to be expanded, and corporations should listen to different stakeholders more than before. Companies also need to understand that a brand is more than ever a constantly shifting asset and in many ways co-owned by the company and its stakeholders (Maio 2003, 246). A company or a brand cannot exist without its stakeholders.

2.3.3 Creating brand identity

Brand identity is a unique set of brand associations that the brand strategist aspires to create and maintain. These associations represent what the brand stands for and imply a promise to customers from the organization members (Aaker 2002, 68).

In responsible branding, aspects of responsibility need to be incorporated into the brand identity. Brands are expected to demonstrate integrity and trust in their values and characteristics. Responsible business does not only affect the branding processes and systems but also the very content of brands (Maio 2003, 239–240). Engaging in responsibility automatically affects the identity of the brand.

Brand identity provides the brand direction, purpose and meaning. It also helps to establish a relationship between the brand and the customer by generating a value proposition. Brand identity consists of two components: core identity and extended identity. Core identity is the essence or soul of the brand and includes the associations that are most likely to remain constant as the brand moves into new markets and products. The values of the organisation and the core identity should be in close correspondence. Extended identity has elements which provide texture and completeness. It adds details that help to show what the brand stands for. (Aaker 2002, 87–88).

Crane (2001, 363) discusses ethics in different product levels and ethical augmentation. Ethical augmentation refers to regarding ethical considerations as “added benefits for the consumer over and above the basic, expected, value-giving properties of the product” (Crane 2001, 363). Figure 3 was created based on the concepts of core identity and extended identity supplemented by ethical augmentation.

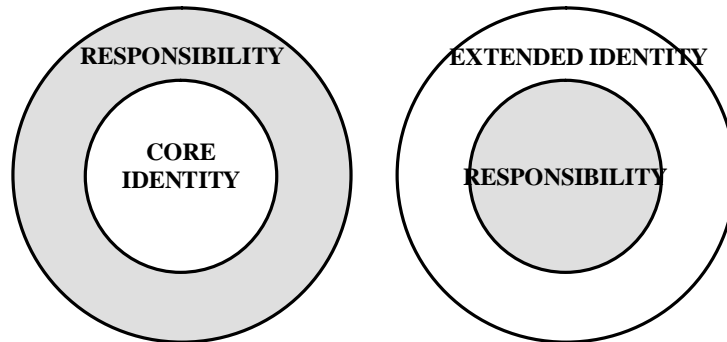


Figure 3 Brand identity levels in the responsibility context (adapted from Aaker 2002, 86; Crane 2001, 363–364)

Responsibility can be implemented either as a core or an extended identity. Most companies use responsibility as the added extra to the core business which is a simpler way of incorporating responsibility. However, there are brands that are based first and foremost on responsibility, for example The Body Shop. Existing companies are more likely to add responsibility to their brand as an extended identity, as it would be more challenging and also risky to change the core identity. New brands have the potential to found the core of the brand on responsibility.

2.3.4 Defining brand objectives

De Chernatony (2003, 154–159) recommends considering the long-term and short-term objectives of the brand to clearly establish what the brand must achieve at specified times. Objectives are created by transforming the ideas of the brand vision into concrete points. Powerful long-term objectives need to be constantly revisited during the brand development process and all levels of the organisation should be committed to them. The long-term objectives are then broken down into shorter-term goals.

Crane (2005, 229) suggests that the most effective way to build responsible brands is to adopt a more holistic long-term approach. Trust cannot be built in a day and to be credible in

responsibility, corporate actions should be future-oriented and not merely be something done in the spur of the moment to make a quick profit. Rice (2009) and Maio (2003, 237) also recommend creating a strategy for the brand and taking the long view. Responsible brands need to have a comprehensive long-term strategy.

2.3.5 Implementing

Gad (2003, 187) says: “A brand is only a brand when it is in somebody else’s mind”. No matter how thoroughly a company builds its brand internally, if it is not communicated to the consumers or if the communication fails, the brand is pointless. Thus the implementation stage is crucial. The implementation stage includes positioning (e.g. Aaker 2002; Urde 2003) and execution (Aaker 2002; de Chernatony 2003; Urde 2003; Schultz 2005; Wheeler 2006; Ghodeswar 2008; Merrilees & Miller 2008). Brand positioning refers to creating the perception of a brand in the customer’s mind and achieving differentiation, meaning that it both stands apart from competitors’ brands and meets the consumer’s needs and expectations (Ghodeswar 2008, 6). Execution refers to communicating the brand message and managing assets to deliver what is promised (Urde 2003; Ghodeswar 2008; Wheeler 2006). The implementation stage thus entails publicising the message of the brand, ensuring that the message reaches its target and making sure it is delivered.

Corporations are faced with a business environment where many consumers and other stakeholders demand more responsibility but are simultaneously extremely quick to contest the brand image and denounce any efforts they deem to be hypocritical or insufficient (Crane 2005, 228). This puts pressure on brand building. Maio (2003, 236–237) emphasizes the importance of matching the talk with the walk. Non-correspondence damages the credibility of the corporation, of the discipline and the trust between the company and its constituents. Marketing experts build a sort of fantasy value that outruns their reality (Moore 2003, 109). Responsible brands in particular need to match what they communicate and what they deliver. Jahdi and Acikdilli (2009, 105) point out that those organisations that highlight their CSR credentials come under increased scrutiny if they err, while those not so doing are less rigorously scrutinised. The instant brands highlight responsibility they need to be ready to be challenged.

To increase their credibility and prevent possible problems, brands need to be transparent (Willmott 2003b; Rice 2009; Kuvaja & Malmelin 2008, 28). Transparency means being as open and honest as possible: telling people what the company is doing, providing transparent links to the beliefs, values, activities and behaviours of the company and also having communication channels and mechanisms for dealing with possible crises more efficiently (Willmott 2003b, 229). Rice (2009) urges to be transparent about products as well as goals and how the company will reach them. According to Gad (2003, 190), in a transparent world there is nothing better from a communicative point of view than to have one message – one company – externally and internally. When there is only one message internally and externally, there is also no need for the brand to hide anything and no risk of becoming exposed. Responsible brands, however, need very careful and relevant positioning of the values that are presented to customers as consumers measure ethical attributes among a bundle of other brand values (Szmigin et al. 2007, 398–399).

Consumers need to get access to information on brands to make better ethical judgements and purchase decisions (Berry and McEachern 2005, 82; Carrigan & Attalla 2001, 574; Kuvaja & Malmelin 2008, 34). For ethical values to enter into consumers' purchase decisions, they need to be able to compare and contrast the ethical behaviour of companies more easily (Carrigan & Attalla 2001, 574). Consumers have two ways of getting the information they need, either indirectly by getting background data or directly from the brand (Berry and McEachern 2005, 82–83). Some of the most important sources of background information for the ethical consumer are the media, campaign groups and informal communication networks. New technologies extend their reach and give them new dimensions and potential. Product labelling is the most direct means of communication and it is underused as a means of promoting CSR. However, the problem with labelling is how to summarise ethical information without oversimplifying it, while simultaneously maintaining a simple recognisable design and effective symbol. Too much detail leads to information overload, while logos are meaningless if no one knows what they mean or how they can find it out. Companies have used corporate social reports as their primary means of demonstrating their responsibility (Adams & Zutshi 2005, 209). However, ethical consumers are often skeptical of corporate self-promotion (Berry and McEachern 2005, 83). Companies have to find ways to convince consumers about their ethical integrity because to be persuaded to buy, consumers need to be convinced that their purchase behaviour can make a difference in ethical terms (Carrigan & Attalla 2001, 575). This is not possible without information.

2.3.6 Evaluating

After implementation, the ensuing activities and results need to be evaluated. Brands cannot be measured by only one parameter as they are complex entities. A combination of dimensions, both internal and external, needs to be measured to demonstrate the success of the brand (de Chernatony 2003, 278–279). Schultz (2005, 209) also advocates comprehensive monitoring but takes the idea even further by suggesting that different stakeholders should be brought together in the monitoring. She identifies a need to align the tracking of internal and external brand performance. Finally, the results are compared to the vision and it is possible to evaluate whether the brand objectives have been reached. The evaluation stage also provides an opportunity to review how the brand building has succeeded and what needs to be improved.

2.4 A theoretical model for building a responsible brand

Brand management should be as much about managing brands internally as it is about managing the brand externally (de Chernatony 2003, 13). Thus in brand building both internal aspects and external aspects need to be considered. Figure 4 depicts a theoretical model for building responsible brands which consists of the stages identified from brand building and responsibility literature.

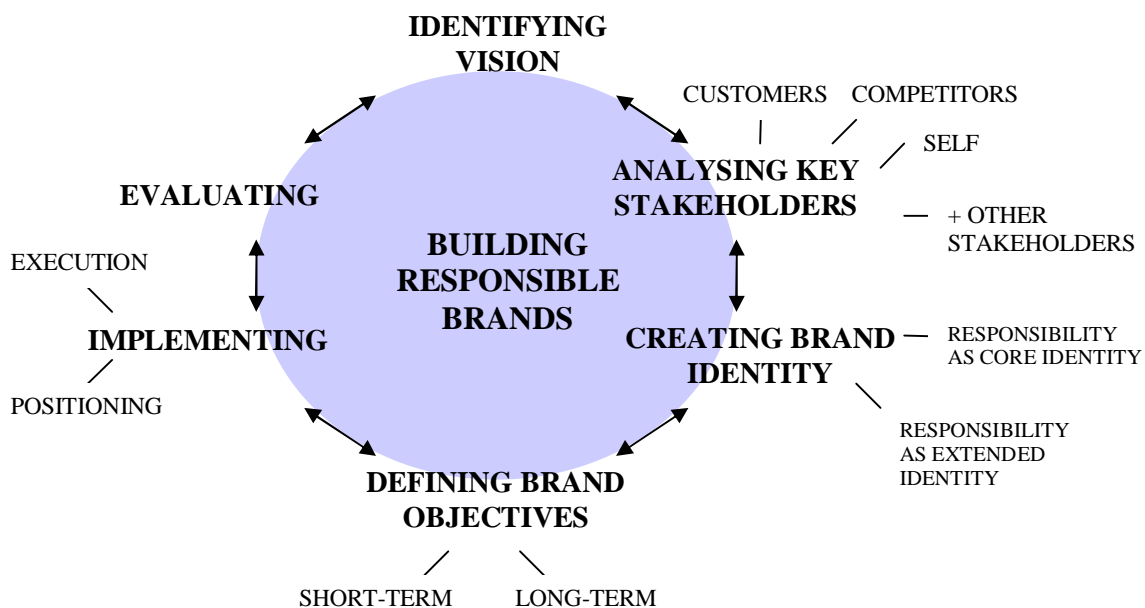


Figure 4 Theoretical framework for building responsible brands

First the company must identify its vision: that is, where it wants to be in the future. Then key stakeholders (customers, competitors, self and other stakeholders) are analysed to find the forces that might promote or impede the responsible brand. Next, brand identity is created and thought through to determine the weight responsibility has in the company, whether it is the core or the extended identity. Then short-term and especially long-term objectives are defined. The vision and the objectives are then put in practice via implementation. The brand is positioned and communicated to the stakeholders. Finally, the previous actions and performance are evaluated and compared to the initial vision. The process is interlinked and continuous.

Every aspect of responsible brand building needs more emphasis than general brand building. It needs for example a stronger vision, value foundation, internal commitment and implementation. For responsible brand building, companywide ownership and championship from senior management are crucial (Middlemiss 2003, 356–357). If the whole company is not committed to the process of building responsibility and does not line up behind it together, the efforts will most likely be useless and without the commitment of senior management, it is impossible to generate real actions. If the company fails to fulfil these requirements, internal inconsistencies can result in a lot of fine words without true actions. Companies need to have internal processes and premises in place (vision, key stakeholders, identity, objectives) to begin implementation, which means executing plans and positioning the brand for the public. Brands also need to be transparent about what they do. This increases the credibility of a brand and prevents possible problems (Willmott 2003b, 229; Rice, 2009). According to Szmigin et al. (2007, 398) success in brand building requires the brand to develop a differentiated position and to act as a short-hand device in selection, a promise of consistent quality, a risk reducer and a symbolic device to create and reinforce a unique brand image or personality.

Truth and honesty are the most common and expected values, yet so many companies tell endless lies to their employees, shareholders, customers and other stakeholders. One of the most powerful values that a company can have is to promise only what they know they can deliver (Ryder 2003, 150). Incorporating responsibility to communication refers to using deeply felt emotional connections to causes, such as promoting social justice, better health or a sustainable environment but if the only motive is to increase corporate power and profit, it may still be perceived as exploitive by customers. Corporations should recognize that there are new goals that should be pursued simply for their own sake as concerns for environmental sustainability are

getting better known (Kay 2006, 757). Devinney (2009, 54), however, argues that the goal of corporations cannot be guided by the need to use responsibility for “good” alone. The purpose of responsible brands is to join core business and responsibility together without repressing the other.

3 RESEARCH METHODS AND DESIGN OF THE STUDY

3.1 Research premises

The empirical research has been conducted as qualitative research. Qualitative research was the most suitable approach towards researching how responsible brands are built. According to Eriksson and Kovalainen (2008, 3) qualitative research gives a researcher the opportunity to focus on the complexity of business-related phenomena in their contexts and it relies on several methods of data collection and analysis. Many qualitative approaches are concerned with interpretation and understanding, whereas many quantitative approaches deal with explanation, testing of hypotheses and statistical analysis (Eriksson & Kovalainen 2008, 5). Compared to the quantitative approach, qualitative methods produce a wealth of detailed information about a much smaller number of people and cases and this increases the understanding of the cases but reduces generalizability (Patton 1990, 14). However, as the subject at hand is unexplored by empirical research, there was a need to start by understanding the subject in smaller scale. With qualitative research this thesis can address the complexity of this issue and understand what happens inside the company.

Gummesson's (2005, 316–317) “research edifice” describes three phases in research which also depict how this research has proceeded. Research begins with a foundation of the researcher's paradigm and pre-understanding (the basement). Subjective, intersubjective and objective choices and assumptions have been made as to the research subject, the research questions and how to answer them. Second phase (the middle floors) refers to data generation and analysis/interpretation. It has entailed personal and subjective interpretation of the data. In the final phase (the penthouse), data, results and conclusions are presented and recommendations for practice and future research are given. Interpretation has had a major role in this phase.

This research follows the idea of systematic combining which implies a process where the theoretical framework, empirical fieldwork and case-analysis evolve simultaneously (Dubois & Gadde 2002, 554). It is meant to be particularly useful for developing new theories. In this research, theory has guided the understanding of the empirical process but also the case company and the empirical data have directed the development of the theory. The theory part and the

empirical part influenced each other in their formation but were kept separate in the analysis stage so as not to influence the analysis of the data too much and to let the data speak for itself and not be chained by theory. Figure 5 depicts the research process.

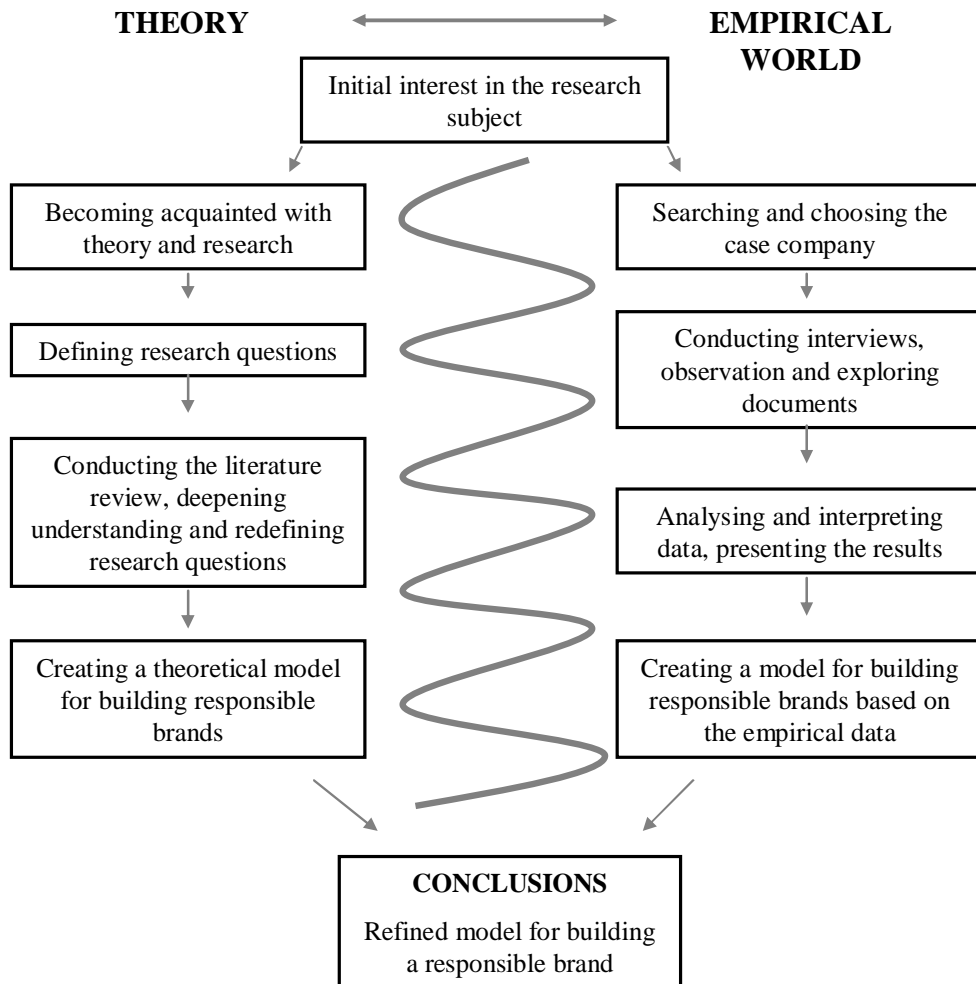


Figure 5 The research process

The research process began with the initial interest in responsible brands already in 2008. The topic as a whole became familiar to the researcher as she conducted her Bachelor's thesis on responsible brands. The interest specifically towards building responsible brands increased in the summer of 2009 and initial research questions were formed in the autumn of 2009 after becoming acquainted with theory and research and discovering the gap in earlier research. The research process can be seen to have developed in two paths: the theoretical and the empirical path. However, they have certainly influenced the development of each other which the spiral in the middle of the figure 5 implies. It also points to the growing understanding step by step (Gummesson 2000, 70). After defining the research questions, literature review was conducted

and understanding was deepened, which led to redefining the research questions. The theoretical path has resulted in a theoretical model for building responsible brands.

The empirical path began with searching the case company in the autumn of 2009. Finally the most suitable and interesting case company was discovered and access was granted in February 2010. In the spring of 2010 data was gathered by interviews, observation and documentation. Then the data was analysed and interpreted to understand the phenomenon in the company. The results are presented in this thesis as well as a model for building a responsible brand in the case company. Conclusions are drawn by bridging these two paths and the understanding they give to the phenomenon. The research process will be concluded with a refined model for building a responsible brand.

3.2 Data gathering and choosing the case company

Myers (2009, 76) defines case study as follows: “Case study in business uses empirical evidence from one or more organisations where an attempt is made to study the subject matter in context. Multiple sources of evidence is used, although most of the evidence comes from interviews and documents.” A case study answers the questions “how” or “why”. It is used when the investigator has little or no control over events and when the focus is on a contemporary phenomenon within some real life context (Yin 2003, 1). By using the case study method it is possible to gain access to the internal perspective of the company. The approach in this thesis is to conduct an intensive case study research because it focuses on finding out as much as possible about one or a few cases. Its main aim is to understand and explore the case from the inside and develop an understanding from the perspectives of the people who are involved in the case (Eriksson & Kovalainen 2008, 118-119). This case study is of interpretive nature as it relies on an underlying interpretive and constructivist epistemology which means that social reality is socially constructed (Myers 2009, 77). The phenomenon is understood through the meanings people assign to them. No positivistic truth is sought. In the hermeneutic paradigm, research concentrates on understanding and interpretation (Gummesson 2000, 178).

The case study method has the advantage that it forces the researcher to understand companies holistically and to retain the meaningful characteristics of real-life events (Koskinen, Alasuutari & Peltonen 2005, 156; Yin 2003, 2). Building responsible brands implies process, a longitudinal

project, and intensive case study also responds to this aspect as it often extends over time (Eriksson & Kovalainen 2008, 120). The process of building a responsible brand had already begun in the case company but interviews with members of the company covered what had been done earlier as well. With intensive case study research it was possible to gain in-depth information from the case company and gather information from the entity of responsible brand building.

A concern with case studies is their scientific generalization. Case studies are generalizable to theoretical proposition and not to populations or universes. The goal is to expand and generalize theory (Yin 2003, 10). By using case study in this research allows elaborating the phenomenon of building a responsible brand. According to Myers (2009, 72) case studies can be used in the exploratory phase of a research to discover the relevant features, factors or issues, and also in explanatory research to test theory.

The case company in this research is Pramia Ltd which is a small company located in Ilvesjoki, Jalasjärvi (a richer description of the company in chapter 4). After becoming interested in the research subject, the researcher heard about the company and its development from an intermediary. Gaining access is often difficult in case study research as companies are sceptical of the value of research and worry about it taking too much of their time (Myers 2009, 81). After negotiations, Pramia became convinced that this research could have a positive effect on their development and granted access to the researcher. The research came at a convenient time for all parties because the company had recently began plans to highlight its responsibility—to begin responsible branding. The company was an excellent research subject exactly because they were in the process of building a responsible brand and simultaneously the company wanted to receive feedback from their efforts and suggestions for improvement.

That the case company is small made it possible to get a holistic view of the company and especially of the research subject, which was significant as it is relatively new and in a formative state. This case study gives new information about a subject that would normally be difficult to access. Not many companies would presumably be ready to be under scrutiny about their responsibility.

Data was gathered broadly from the case company by using different methods, mainly by personal interviews but also with observation and utilising documents such as private and public documents and the official website (list of interviewees and documents in appendices 1 and 2).

3.2.1 Semi-structured interviews

Interview is one the most important sources of case study information (Yin 2003, 89). There are three types of interviews: structured, semi-structured and unstructured (Myers 2009, 124). The order of questions is strictly regulated in structured interviews and pre-formulated questions are used. Unstructured interviews in turn use few if any pre-formulated questions and interviewees are free to say what they want. Semi-structured interviews are a combination of both as pre-formulated questions are used but there is no strict adherence to them and new questions are allowed to emerge. This type of interviewing was used in this research. The interviews were guided by an interview outline whose purpose, according to Koskinen et al. (2005, 108), is to give the interview form and to make sure that required questions are asked, as well as to assure that the interview goes smoothly. Koskinen et al. continue that a good interview outline functions as a memory backup rather than a theoretical question list. In this thesis, the outline served its purpose and functioned only as a guide and a backup. It did not restrict or hinder the course of the interviews. The outline was tailored for every interviewee and the interviews proceeded along the respondent, which meant that every interview was different. Additional questions were asked and some beforehand intended ones could be left out. With an open-ended way, it is possible to ask about facts and opinions (Yin 2003, 90). The basic interview outline with preliminary questions can be seen in appendix 3.

According to Koskinen et al. (2005, 106–107) the disadvantage of interviews is that they produce indirect knowledge, meaning that the information received is the interviewee's reconstructed understanding of the issue, not the issue itself. This is acknowledged as the interviews were of active nature, meaning that the interactional nature of the interviews was accepted. Interviews are a product of talk between interview participants (Holstein & Gubrium 1997, 113). Active interviewing puts more weight on the interviewer's role. Researchers take a more active perspective and consciously and conscientiously attend the process in ways that are more sensitive to the social construction of knowledge (Holstein & Gubrium 1997, 114). The

interviews proceeded as conversations between two parties and not as tightly controlled experiments between a researcher and a research subject.

In total, nine interviews were implemented with four key informants from Pramia (list of the interviewees in random order in appendix 1). One preliminary interview was conducted on March 12th, four interviews were carried out on March 31st and additional interviews with two key informants were conducted on May 14th to increase and specify understanding. The interviews were recorded and all in all, there was 391 minutes of interview data. The length of the interviews varied from 20 minutes to 95 minutes. The data was then transcribed, resulting in 106 pages of transcription. In addition, one phone interview was carried out on March 23rd. The phone interview was written down on two pages of notes. Also, informal and short interviews without recording were conducted at an exhibition (Wines and Spirits Trade Days, 18.3. See picture in appendix 4.).

Based on the request of Pramia's CEO, in the empirical part, the CEO will be called "entrepreneur" and the employees in random order with a letter of the alphabet (Emp. A, B, C) to ensure the employees' anonymity.

3.2.2 Other sources of evidence

Besides interviews, other sources of data, observation and documents, were also used. Observational evidence provides additional information to the topic under research (Yin 2003, 93). In this thesis, the researcher observed the case company Pramia at the exhibition and on field visits on March 31st and May 14th as a non-participant observer. Observation was done between interviews. It resulted in eight pages of field notes in total. The purpose of the observation was to acquire additional information besides the interviews to get a more holistic understanding of the company and to be able to comprehend the data better.

There are at least three kinds of choices that need to be made in relation to the sample of the observation. The choices concern people, time and situations (Koskinen et al. 2005, 90–92). First of all, one needs to determine who to observe. In this thesis, the choice was not difficult as the case company is small and thus everyone could be observed. The researcher's focus was on the big picture, on the company's dynamics, not any particular person. Time refers to when to

observe, what the most explanatory point of time to observe is. In this case, the case company was observed during their normal working hours to be able to observe their normal routines. Also, the time was chosen so that it would be possible to observe the bottling process which happens only at certain days.

The third choice to consider was situation, which refers to getting access to different situations in the foreground or at the background. The researcher had become familiar with the personnel before the first field visit and thus the atmosphere was already relaxed and it felt as though the researcher was able to observe their normal behaviour, for example coffee break discussions and other communication between the personnel. The researcher was admitted to the company almost like an employee. The observation could have even been seen as participant observation as the researcher was welcomed to the dynamics of the company and took part in their everyday routines. Often observation is a combination of the participant and non-participant roles (Eskola & Suoranta 1998, 100; Koskinen et al. 2005, 87). Altogether observation is very subjective as the researcher is directed by her expectations and past experiences and she affects the events she observes (Eskola & Suoranta 1998, 103). According to Myers (2009, 150), fieldwork, however, is the best way to get an understanding of social situations from the inside.

To gather diverse and representational data, a group exercise for the personnel of the case company was also organised. After a common coffee break, the personnel were asked to draw together a time line of the company's responsibility; to think and write down events and actions throughout the company's history which they see integral and important from the point of view of responsibility. This exercise was then observed by the researcher. The researcher was not able to remain only as an observer as the personnel asked her to draw on their behalf. She did not however give the personnel answers, only wrote down what they said. The result was scanned and can be seen in appendix 5. It is discussed in chapter 4.2.2.

Documents were collected to augment evidence from other sources as documents allow building a better picture than could be obtained by only interviews and fieldwork (Yin 2003, 86–89; Myers 2009, 153). Myers (2009, 154) defines a document as “anything that can be stored in a digital file on a computer” since nowadays every form of data, such as text, audio, pictures, video can be in digital format. Documentation from the case company was received in digital format (list of documents in appendix 2). The documents were both private and public (Myers

2009, 155). Private documents were internal material which consisted of guidelines, reports, export strategy and plan as well as communication material such as labels. Public documents consisted of company presentations, press releases, brochures and currently used labels. Also, newspaper articles were read: the company had collected them throughout its history. Websites are also seen as electronic documents (Myers 2009, 158). In this thesis, the company's official website was included in the analysis. The concern regarding the unreliability of the internet is unnecessary in this case because the authorship and credibility of the site (Myers 2009, 158) are assured since it is the official site of the company.

In this thesis, documents were used only as an additional source of data, not on their own, as Myers (2009, 161) suggests. Thus they provided details of events and helped to cross-check findings. The understanding in the empirical part has accumulated by the combination of interview data, observation and documents. Interviews have been the main source of information but these other sources have completed the picture.

3.3 Data analysis

Distinction between data gathering and data analysis is problematic in qualitative research as from a hermeneutic perspective researcher's presuppositions affect the data gathering. The answers one gets are largely determined by the questions asked. In addition, the analysis affects the data and the data affects the analysis significantly (Myers 2009, 167). The empirical analysis is depicted here generally and it is acknowledged that it has been affected by the researcher's pre-understanding (Gummesson 2000, 70–71). The concept of the hermeneutic circle applies in this thesis: “dialectic between the understanding of the text as a whole and the interpretation of its part, in which descriptions are guided by anticipated explanations” (Myers 2009, 185). The understanding constantly grows during the process: it vacillates between totality and individual parts. Hermeneutics enables a much deeper understanding of people in business and organisational settings as it requires to look at the organisation through the eyes of various stakeholders and from many different perspectives (Myers 2009, 194). Gummesson's (2000, 70–71) advanced hermeneutic spiral refers to the continuous levels of pre-understanding and understanding where the researcher adopts a different level of pre-understanding at each stage of the research.

The analysis stage began by reading the transcripts, field notes and documents many times to acquire preliminary understanding. Simultaneously notes were written on the margins of the pages and on a notebook. Preliminary notes help to perceive the data, to find the most interesting points, and to identify themes (Koskinen et al. 2005, 231). Becoming acquainted with the data takes time. Preliminary understanding accumulated along the interview process, transcription and finally while reading. The analysis proceeded in two phases as Rubin and Rubin (2005, 201) suggest. First transcripts were prepared, that is concepts, themes and events were found, refined and elaborated. Then interviews were coded to retrieve what the interviewees had said about the identified issues. On the second phase, concepts and themes were compared across the interviews to formulate a description of the setting. In the beginning 15 themes were identified. The most integral information was gathered into 52 pages which were then again read through many times to perceive the larger picture and what the themes entail and how they are linked together. The themes were then narrowed down to eight and their contents were organised into logical entities. The understanding of the researcher grew gradually. The purpose was to construct an informed, vivid and nuanced report which would reflect what the interviewees have said and answer the research question (Rubin & Rubin 2005, 201).

According to Yin (2003, 111–114), there are three general strategies in analysing a case study: relying on theoretical propositions, thinking about rival explanations and developing a case description. The most preferred strategy is to follow the theoretical propositions. This means that the theoretical orientation guides the analysis stage. It helps to focus attention on certain data and to ignore other data. This was considered in this research but as it felt crucial to let the data speak for itself and not be hindered by theory. It became clear that a somewhat inductive approach had to be implemented in the analysis. In inductive analysis, findings emerge out of the data through the interaction between the researcher and the data, in contrast to deductive analysis where the data is analysed according to an existing framework (Patton 2002, 453). The subject of responsible brand building was identified as empirically lacking and it would have seemed contrived to follow a theoretical framework that has little to do with real life. However, a strong inductive approach cannot be argued for in this research as the interview outline was organised along the issues theory had brought up and the preliminary understanding of the theory inevitably affected the researcher's interpretation. The inductive approach in case study should be seen as a practical tool to organise interpretation, not as a means to produce findings that are absolutely true (Koskinen et al. 2005, 172).

An abductive approach, a combination of inductive and deductive approaches, was implemented. It felt most suitable for the purposes of this thesis because it acknowledges the continuous movement between the empirical world and the model world during the process (Dubois & Gadde 2002, 554). There is a continuing reorientation as research issues and the analytical framework confront with the empirical world. Pattern-matching logic was also applied (Yin 2003, 116). It compares an empirically based pattern with a predicted one. The results and conclusions will be generated by comparing the empirical findings with the theoretical framework. This is how the framework can be developed and the data can point out relevant issues on its own and not be forced to fit in the theoretical framework. The results of the empirical analysis are described in chapter 4 and the conclusions in chapter 5.

The empirical part contains a lot of quotations from the interviews because the inductive nature of the analysis dictated that the voice of the company be heard. It is the company and its personnel who are behind the results and it felt appropriate to let it show. However, as Rubin and Rubin (2005, 201) emphasise, the interpretations in the final reports are those of the researcher. The interpretations are subjective and have been constructed in the researcher's mind. The interviews and thus the quotations were originally in Finnish which made the writing of the empirical part more challenging. To increase reliability and avoid changing the content of the quotations, the translation was outsourced to an objective and specialised party.

3.4 Ensuring the quality of the study

According to Yin (2003, 35–36), there are four tests relevant to establishing the quality of case study: construct validity, internal validity, external validity and reliability. Lincoln and Guba (1985, 290) describe these quality tests through the concepts of credibility, transferability, dependability and confirmability, which are more suited for qualitative research (Koskinen et al. 256; Gummesson 2007, 233). Credibility can be achieved by using multiple sources of evidence, having the draft case study report reviewed by key informants, and actively seeking different types of cases. Transferability can be addressed by providing a rich description of the research subject which can then be transferred elsewhere. It deals with the problem of knowing whether the findings of the studies are generalisable beyond the immediate case study: if it is replicable (Yin 2003, 35–36). In single-case study this test is answered by providing strong support from theory. The objective of reliability or dependability is to make sure that a later investigator could

arrive at the same conclusions if followed the same procedures as described in the study. The goal is to minimize the errors and biases in the study. This problem can be dealt with a case study protocol and with the development of a case study database (Yin 2003, 37–38). Also the criteria of confirmability can be met by documentation.

This research has used multiple sources of evidence to build a credible description of the research subject. The case study report was reviewed by one Pramia's employees as well as the entrepreneur. The criteria of transferability has been attempted to be met by a rich description of the case company and the empirical data, as well as depicting the research process. Also, by linking empirical findings to theory in the conclusions, transferability should increase. The criteria of dependability and confirmability are implemented by documenting carefully the entire research process. Documentation consists of plans, notes, records, transcripts as well as documents which show how the analysis has proceeded. The analysis process can be demonstrated in retrospect from the researcher's archives.

Gummesson's (2007, 234–235) checklist for quality assurance of case study research has been followed. First of all, making the following of the research process possible, a figure (5) was created to demonstrate the process and it has been explained throughout this chapter. Earlier familiarity with theory and its effect on the researcher's pre-understanding has been acknowledged and explained. Credibility, generality and validity of the research have been assessed. The researcher has gained excellent access to a new and challenging subject, thus contributing to a gap in earlier research. The researcher's personal qualities such as passion towards the research subject and rigorous work ethic strengthen the quality of this research. However, Gummesson (2007, 235) points out that nobody can score high on each issue as it would inhibit innovation. Thus, the goal is to reach a satisfactory level of research, especially with regard to the type of research and the imperfections that occur in the practice of research.

The challenge of this research is its broadness. Responsible brand building is an extensive research subject and thus every part cannot be discussed profoundly. However, as the subject is an entity, it would have been incomplete if only a part of it had been examined. It felt essential to first examine the subject as a whole. In future research, the different stages of responsible brand building can be separately examined in detail.

4 PRAMIA – BECOMING THE RESPONSIBLE LIQUOR FACTORY

4.1 From home-brew to multifaceted alcohol beverage manufacturer

Marko Mäkinen founded a company by the name “Sahti Mafia” in 1990 as an additional source of income to farming. In the beginning the business consisted of strawberry cultivation and producing unfermented home-brew, called “sahti”, which was possible without an alcohol licence. The strawberry business did not provide enough income to the Mäkinen family, so the entrepreneur had to find other sources of income. Mäkinen saw the opportunity to expand the market for home-brew into areas where people were not accustomed to it. Soon Sahti Mafia received a licence to sell ready-made home-brew, which was then delivered to nearby Alko stores¹. Mäkinen felt that there was a need for brew at that time as Finland was in a bad depression. He does not believe that the same business idea would be successful today.

The home-brew business was a secondary source of income for the entrepreneur until 1993, when Mäkinen finally began the business full-time. In the beginning, the purpose of the business was only to provide income for the entrepreneur’s family and to employ himself and his wife. There were no plans to employ others. In 1995, Finland joined the European Union and selling home-brewed beer—which was a substantial business at the time—ended overnight due to the introduction of the emissions tax and packing tax. The entrepreneur thought there must be more than only downsides in joining the EU: he contacted the product control centre and asked them if he could start manufacturing alcohol. It was this unusual question that led Sahti Mafia to receive alcohol licence number one to manufacture all alcoholic beverages in the post-Prohibition era and during Alko’s monopoly. In 1995, Sahti Mafia also started selling bottling equipment to small vineyards. The company had had to make its own equipment because they could not afford to buy new equipment. At this stage, Sahti Mafia had one employee outside the family.

¹ Alko Inc. is an independent company owned entirely by the state. It has sole rights to the retail sale of alcoholic beverages containing over 4.7 per cent of alcohol by volume in Finland. (Alko 2010)

After 1995, the entrepreneur decided to focus solely on the alcohol business as he had started to realise that the company had too many different functions. The decision paid off: soon after that the company gained favour with Alko, and during the peak years, Alko took two new Pramia products to sale every month. At this point, they concentrated only on getting as many listings as possible, so label design and such came second. This was the time of huge growth in the company. Around 1997, the name of the company was changed to a more appropriate “Pramia” and two new employees were hired. With that staff Pramia operated until August 2009. Pramia has become the largest privately own liquor factory in Finland. (Entr.)

Today, Pramia has 17 products in sale in Alko stores across the country, ranging from liqueurs and spirits to long drinks, cognac, rum, whisky and cider (Pramia, official website 2010). The capacity of Pramia is a million bottles per year (Emp. A) and 12 000 bottles per hour (Company presentation, document). Pramia’s products are sold worth of 10 million euros annually. A few years ago the entrepreneur decided to begin exportation as new growth opportunities were wanted (Entr.). In August 2009 an export manager started at Pramia. Another employee was also added to the staff to market Pramia’s pre-order restaurant “MihinäMoon” which is located in the factory premises. Currently, Pramia’s personnel consists of seven permanent employees from whom five are outside the family.

4.2 Becoming a responsible brand

Pramia has always operated in a very responsible manner, but the entrepreneur Mäkinen and the employees have never really realised it. It became obvious from the interviews. It has just been the way they have always done things.

“Pramia has always been responsible. It just hasn't known how to use the word “responsible” to describe what it's like, deep down.” (Emp. B)

The following chapters discuss how Pramia has become responsible, that is, what kind of actions concerning responsibility can be identified, what does responsible Pramia mean, what the reasons behind responsibility are and how does responsibility relate to the problematic nature of the alcohol industry.

4.2.1 Timeline of Pramia's responsibility

Pramia's responsibility has not been understood inside the company until 2009 and it has started to become visible to the public in communication only in 2010. Concrete responsible actions have been done already before that as the company has for example changed glass bottles to PET² plastic bottles and renewed its equipment to be more environmentally friendly. Before the 21st century, responsibility was mainly beneath the surface as values and treatment of employees. Actions concerning responsibility have increased towards the end of the 2010s. Pramia's responsibility timeline with important facts, events and responsible actions can be seen in figure 6 (Original personnel's view on timeline in appendix 5). Actions specifically on social and environmental responsibility are depicted with letters S and E. R refers to responsibility in general; it cannot be categorized to one dimension.

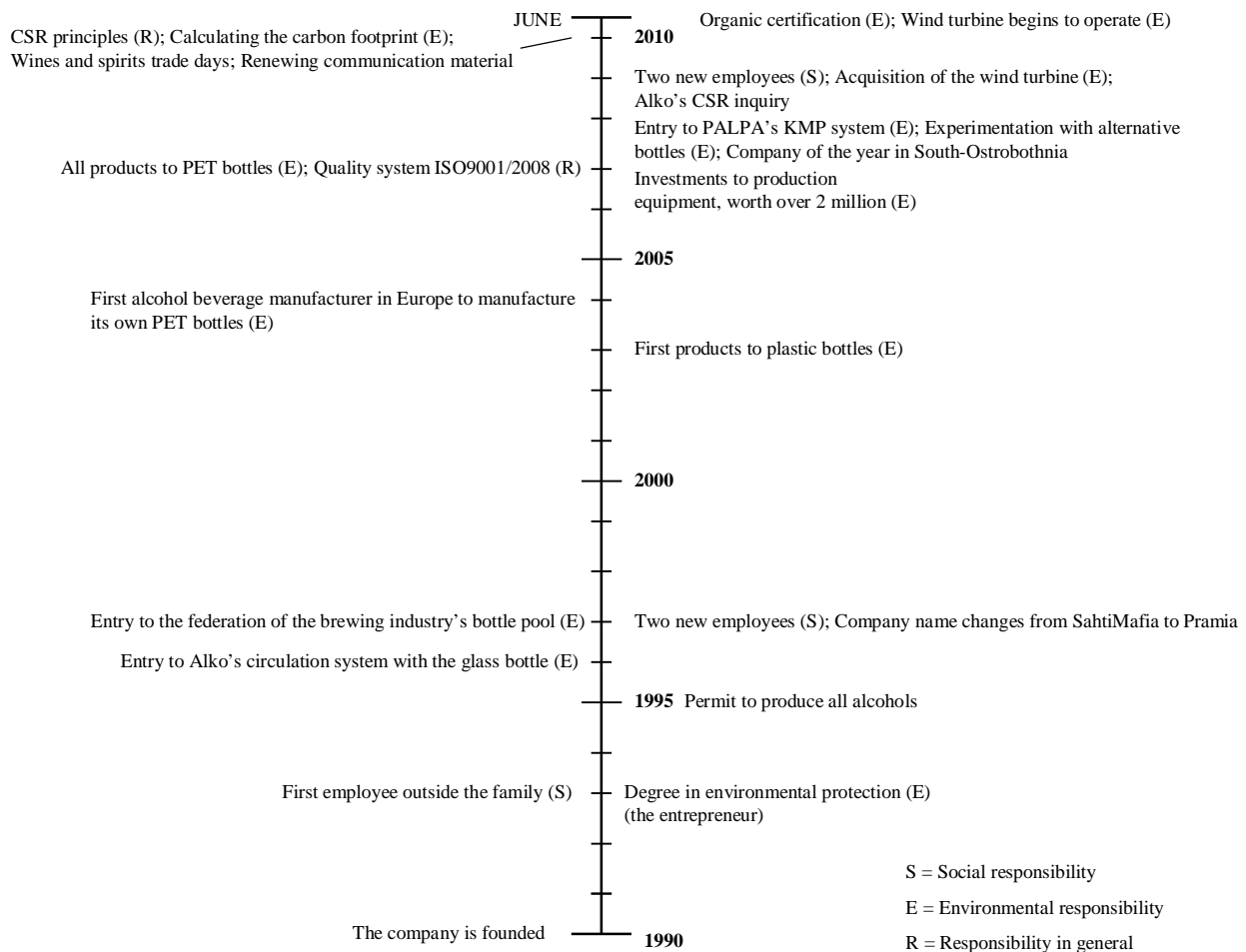


Figure 6 Pramia's responsibility timeline.

² Short for Polyethylene terephthalate which is recyclable and can be used again for new purposes (Napcor 2010)

In Pramia's case, it is evident that actions have come before promotion which did not come until 2010 with renewed communication material. Pramia's most important responsible actions have been the change to PET bottles, renewing production equipment, implementation of the quality system, acquisition of the wind turbine, implementing and writing down CSR principles, calculating the carbon footprint and finally getting an organic certification. The actions have focused on environmental responsibility.

The entrepreneur said that he has not known how to use the term "responsibility" or at least not in the same sense as today. He has not understood how to make use of the term but at the same they seem to have made many decisions that have led to the right direction. According to Mäkinen, they tried to highlight the responsibility issue, but in different words, five years ago but they did not really receive any support then. They tried to point out that Pramia's products were only available from Finnish Alko stores which in turn implied that they were not sold to any iffy companies or exported to Estonia where people would buy them as souvenirs or presents and the Finnish government would lose its taxes. Also, when the personnel spoke about Pramia anywhere, they told about the ecological solutions in the production, but it was only business to business communication. To the public, Pramia's ecology has only shown as a picture of a rotating wind turbine in the official website and by clicking it, it has been possible to get a little bit of information. (Emp. B) Responsibility issues, however, have never been the main message (Entr.).

Things started to progress as Pramia hired an export manager in August 2009. As an outsider, the export manager could look at the company with new eyes. She needed to find a competitive advantage which would make the wanted exportation possible. She soon realised that corporate social responsibility would be the edge as the company was so responsible through and through but nobody really knew about it—not even the people inside the company. As one of the employees was asked how the company has changed from the responsibility viewpoint, she answered:

"What's changed is that the [responsibility] has surfaced only just now, actually only when [the export manager] arrived we started writing it down. But we've done things the way we have, like, we've never neglected the environment, but we've never really paid any particular attention to it, so we've just done things the way we have." (Emp. A)

All in all, the company has changed a lot in the twenty years it has operated. Machines have been modernised and augmented two to three times and now the production runs its course and they are able to concentrate on the bigger picture. (Emp. A) The entrepreneur told the researcher how the glass bottle production line they had back in the day required 12 000 litres of water per hour and six different chemicals, which finally ended up in the river. Nowadays they do not pollute at all. The entrepreneur pointed out that while there are many companies nowadays striving to become carbon neutral, Pramia's readings are actually in the net negative territory. Pramia may actually be the first company in Finland to be free of carbon emissions. In addition to the large steps in environmental friendliness, they have constantly improved employees' benefits and circumstances as in the early years of the company they were still learning about payment policies and such. (Entr.) In a way, Pramia has become responsible without consciously aspiring towards it. Actions have become before words.

Pramia follows the principles of the United Nation's Global Compact. The principles are under four topics: human dignity, Earth's future, corporate citizenship and healthy work community. CSR principles will be incorporated in their activity system and audited yearly. (Pramia's CSR principles, document) Pramia has compressed its way of thinking under six themes, which have now been started to be used in the renewed communication: Pramia Company, Pramia Place, Pramia Production, Pramia Thinking, Pramia Bottle and Pramia Drinks (Pramia's brochure, document). Pramia Company refers to the company as a whole, its responsible nature and its experience. Pramia Place points to the area where the company is located. Pramia Thinking refers to the solutions they have done for the environment and to their frankness. Pramia Bottle relates to the qualities of the PET-bottle and Pramia Drinks refer to the know-how concerning the content. All but one theme (Pramia Drinks) are related to responsibility.

4.2.2 Responsibility at Pramia

All of the interviewees were asked what a responsible Pramia means. Interestingly, they gave quite varying answers. One of the employees summarised it as:

"Responsible Pramia is Pramia as it is. Here you don't need to sugarcoat anything or write in golden letters. A really decent, honest, and respectable family company."
(Emp. B)

This statement emphasises the genuine actions that are done in Pramia. The actions aren't greenwashing. She also links the responsibility and integrity to the company being a family company. Employee C emphasised responsibility towards the employees and the clientele. By this she meant that the working conditions are good, as well as managing the alcohol business in a responsible way, that it shows in the production and advertising; in everything. She pointed out that responsibility is connected to everything. Employee A spoke of manufacturing the products according to the food legislation, paying taxes and being responsible of the products towards the customers. She also highlighted environmental values, acquiring raw material from the most responsible and closest sources as possible. Price is not the most important reason for making purchases. She also mentioned that employees are treated equally and that it has always felt good to work in Pramia. In his answer, the entrepreneur described issues such as selling responsibly, which means not selling to parties who would not pay taxes which in turn would distort competition in the industry, the environment, values concerning the employees, and paying taxes and other payments on time. He discussed in his own words all aspects of corporate social responsibility: economic, social and environmental.

It seems that there is no right or simple answer to the question: "what does a responsible Pramia mean?". This could also imply that it is not clear to the employees what responsibility at Pramia means. It became quite obvious during the group exercise where the personnel of Pramia were asked to draw timeline on Pramia's responsibility (appendix 5). It was very difficult for them even together to state actions and events that were related to responsibility. Eventually they used the help of their internal documentation. However, because the concept of responsibility is so vast, it can be expected that answers vary and actions are difficult to state. Many of the answers entailed similar issues concerning the economic, environmental and social responsibility. Also, they all seem to agree that responsibility is a large concept and affects many functions. There were no simple answers. In conclusion it could be said that responsibility at Pramia is comprehensive: it entails taking good care of and treating the employees equally, minding the societal obligations better than required, doing business in an environmentally sound way, without forgetting the customers. Common understanding of responsible Pramia is, however, clearly needed.

The three aspects of responsibility (economic, social and environmental) at Pramia were discussed in more detail:

Pages 49–50 are confidential until 20.8.2013.

His personal values are also something that the employees highly respect. The second reason why Pramia has engaged in responsibility is cost savings and other practical reasons:

"Besides the environmental benefits there've been financial benefits as well, and that's pretty interesting. A plastic bottle is cheaper than a glass bottle. A plastic cap is cheaper than the cap on a glass bottle. A multi-wrapping is cheaper, but at the same time it's more environmentally friendly." (Entr.)

"It sort of came by accident, that we decided to make the switch to the PET bottle, but it was not originally because it's more environmentally friendly and lighter, but because at the time it was a more practical solution for us." (Emp. A)

Mäkinen also explained how the factory does not need heating as the machines produce so much lost heat and it is sensible to acquire only cheap electricity. For example charging the battery of an electric forklift costs 20 cents a time and you can drive it for a week. Because the forklifts are electric, there are no smells or emissions, either. For these reasons they decided to invest in their own wind turbine. Besides giving them cost savings and being environmentally friendly, it also has a beneficial publicity and marketing effect. In addition, over a half of the electricity the wind turbine produces goes on sale to the general public. (Entr.)

Third reason for responsible business was the quest for competitive advantage:

"Responsibility is a part of having the competitive advantage of taking Pramia on the global market and that's where the opportunities lie. Standing out and being unique and having competitive advantage." (Emp. B)

Pramia also wants to expand to other countries due to growth opportunities. The alcohol business is so saturated that without a distinctive competitive edge, there is no possibility for exportation. Mäkinen said that if they had used a standard glass bottle for packing, he would never have dared to begin exportation. An employee explains the link between responsibility and competitive edge:

"Marko made the right call back then, that we didn't go for the can, or continue with the glass bottle — that because we do not have a global brand and we're small so we do not really have an option of how else we'd make it out there in the world. So no matter how great a product you come up with, and product family and label and name, we still will not have the brand and we need to achieve it somehow. And now that we had some of the pieces to the puzzle, why not go further with the whole responsibility thing?" (Emp.A)

Pramia needed to find a competitive edge to grow, and responsibility and environmental friendliness are ways for Pramia to stand out from the endless variety of alcohol beverages.

The fourth identifiable reason for Pramia's responsibility are the demands of the operating environment. A major reason why Pramia decided to put more emphasis on responsibility was the CSR inquiry done by Alko, Pramia's most important client. The inquiry came soon after the company had started to understand responsibility issues:

"...at the same time Alko asked us whether we do CSR at Pramia. CSR became the major theme of the alcohol monopolies in the Nordic countries and at that point we went for it hard, like "yeah we do, it's not written down anywhere, but yeah we do." These things together—that we had already sort of predicted it about the company, and when our most important customer asked for it—it became clear to Marko as the owner of the company that those things came together at that point." (Emp. B)

According to employee B, Alko's CSR work made them talk more about CSR and to use the term CSR. Pramia has also acknowledged the growing consumer trend of social conscience (Company presentation, document). Encouragement—or perhaps even pressure from the outside—gave Pramia the extra push to emphasise their efforts and continue, and to strengthen their efforts with regard to responsibility.

So far, Pramia has not really been able to benefit from its efforts on responsibility. The entrepreneur pointed out many times during the interviews the difficulty of being the forerunner:

"It [the role of a forerunner] is rocky at times, and it's often even happened that we've been too much ahead of the competition. We've had wait for others to catch up a bit. It's kind of like, if you're too much ahead of the competition, it's the same as being as much behind... there are things people do not understand or get right away. The consumer does not know to ask for it. So it was actually because we were so much ahead of the others with the plastic bottle that I spent a year and a half building my house. I was away from work so that the others would get the chance to catch up." (Entr.)

In summary, Pramia's reasons for engaging in responsibility can be identified as the manager's influence (personal values and life experience), cost savings and practical reasons, the quest for competitive advantage, as well as stakeholder demands.

4.2.3 Respondents views on responsibility and the alcohol industry

The industry where Pramia operates is undeniably problematic as alcohol itself cannot be seen responsible. The interviewees were asked how they see the connection between Pramia's responsibility and the problematic nature of the alcohol industry. The entrepreneur and one of the employees argued that alcohol would be consumed anyway, with or without Pramia:

"In a way, even if Pramia did not exist at all, I do not think people would use any less alcohol in Finland or Jalasjärvi or somewhere else; in a way, alcohol is such an old invention. Even if it were totally prohibited now, people would not stop using it." (Entr.)

"From the consumer's point of view, if you're going to buy alcohol in any case, it's...good to be able to choose an environmentally friendly and responsibly produced option. And there's nasty stuff going on in the alcohol industry out there in the world... we really are a light year away from those kinds of circumstances. Here you can get regulated alcohol that's of good, uniform quality, produced by a family business with a face. And these environmental aspects are a bonus." (Emp. B)

The employee's statement brings up the point that is it not welcome to have a responsible alternative if we consider that alcohol is consumed regardless. The entrepreneur also gave an example about this problem:

"I've compared it to how, say, a car manufacturer sells a car to Finland. It could very well be that the car could not do more than a hundred and twenty kilometers per hour. Because in Finland the maximum speed is a hundred and twenty on the highway during the summer. The car seller, if he was really responsible, he would prevent the car from doing more than a hundred and twenty, but no car manufacturer does that, and no state authority does it or requires it. So, in a way, we can't as a company take responsibility on the issue."

This argument also emphasizes the responsibility of the individual and, together with Pramia's decision to use a reliable dealer—that is, to sell their products only through Alko, a state-owned company—further reinforces the point:

"...we're now selling our products in Finland through responsible Alko...Alko has done a lot of research on how responsibly they sell things there. After the consumer buys the product from there, it's in God's hands from that point on. I can't take responsibility on it anymore after that. So the responsibility ends once Alko makes a responsible sale of the product." (Entr.)

The entrepreneur acknowledges that alcohol causes problems for many people, but he also pointed out that Pramia sells premium products, which is traditionally not an attractive product group for people with alcohol problems. The argument that Pramia uses for its operation is the freedom of choice of the individual, choosing reliable and responsible partners and giving an environmentally sound alternative for other alcohol products which are used whether Pramia exists or not.

4.3 Themes in Pramia's responsible brand building

Pramia has become responsible even though they haven't consciously aspired to become one, until recently. Pramia's responsible brand building can be seen consisting of several themes which together affect the brand-building. These themes support each other and as a whole build Pramia's responsible brand.

4.3.1 Vision and purpose

Pramia has quite a clear vision which focuses on exportation and raising Pramia's profile. Mäkinen has written a vision for 2011 and it consists of the following issues: "expanding market areas; increasing environmental awareness in the alcoholic beverages market and Pramia's own production; developing the image and expanding the visibility of the company and the products; as well as engaging, authorizing and empowering the personnel" (Company presentation, document).

Pramia has a vision for exportation for 2012–2014 but there is no written vision for the time after that. The entrepreneur and the employees were asked their personal view on where they see Pramia in 10 years. The entrepreneur described his personal vision in the following way:

"The way I see it is that we're operating on the international market. ...Perhaps in those countries where people are the most environmentally conscious, I imagine: Sweden, Norway, Denmark, Germany. Of course I'll always have dreams and thoughts and wishes and it'd sure be great to have one product that's a global brand." (Entr.)

Two of the employees gave the following answers:

"The way I see it, is that we're going to be a bigger alcohol-producing company than we are now, with a couple of brands in the Nordic countries that are beginning to be globally recognized. And I hope the growth will be at least fifty percent more than now, even more. The number of employees will not necessarily have grown terribly." (Emp. A)

"We'll definitely be on the global market. I do not think it's still going to be terribly large. Nobody's making a large-scale company here, but if all goes well, it might be that we'll be running things in two shifts here in the factory. A lot can happen in ten years, of course, packing processes develop and so on. Biodegradable bottles at least, I imagine." (Emp. B)

Every answer emphasized international operations. It is clear for everyone that this is the direction the company is taking. The entrepreneur always looks ahead and his courage to dream

large moves them forward. Employee A did not want to put too much emphasis on responsibility in the future:

"It'd be great if there was something we'd be known for. Specifically, for being a company that respects ecological values, but even so, I don't know if I dare to put a lot of stock in that, seeing as large companies can do things we've been struggling with for some time already pretty quick. So there's always the fear of them coming and eating us alive, but we're nonetheless aiming for a strong position in the industry. But having work for machines and people is the least I'd like to see."

The vision differed between interviewees regarding the amount of weight they put on responsibility. Everyone talked about internationalization but it was not clear how to do it. The comment above is indicative of the fear and hesitation with regard to responsibility and whether what they are doing is enough to make it on the international market. The role and weight on responsibility in the future will need to be clarified in Pramia. The vision is to internationalize but how it will be achieved remains unclear.

The interviewees were also asked why Pramia exists, meaning what is the purpose of Pramia. The entrepreneur depicted the purpose as follows:

"Well we actually found a pretty clear reason for it this winter. We found out that the plastic bottle has brought us a 90 percent smaller logistical carbon footprint and we're the only company that uses the plastic cap and so on. We destroy the environment less than other similar companies and we've got a level of innovation other companies in this line of business seem to lack. ...Offer work, too, although we do not have many jobs here directly." (Entr.)

This statement justifies the company's existence by giving a more environmentally friendly alternative to other similar companies and by providing income to the local area. Employee B's argument also stresses Pramia giving a better choice but also the role of a forerunner:

"The world's full of booze, so if Pramia does not make it, someone else will. If we're going to get really idealistic about it, I'd want Pramia to show the way for others in this line of business. How to pack, and to teach consumers how to recycle our bottles and to understand the need to cut down on extra deliveries and energy use and so on. If and when alcohol is produced and consumed, it's great if someone offers an opportunity to do it a bit more ecologically, responsibly."

Employee C claims the importance of domestic production and small companies:

"We've always been Finnish and proud of it and Pramia going bankrupt would somehow make me think that really, is it not possible for a Finnish company to make it in the booze business on a global scale? We're not that large outfit with many owners, we're a small, lean firm...we can in theory do the same thing large businesses do with their humongous organisation..."

All in all, Pramia's purpose can be described as providing a responsible alternative to other alcohol beverages and possibly even setting an example to other companies without forgetting the impact it has on the local area and the Finnishness.

4.3.2 Corporate culture and leadership

A crucial part of Pramia's responsibility is its corporate culture. Issues in the corporate culture came up constantly in the interviewees. Employee B depicted her view on Pramia as follows:

"I was really impressed with the achievements of the sort of crazy Ostrobothnian entrepreneurship and with the spark that this place had. It was so surprising to come to Ilvesjoki, a small village with a big liquor factory where things are done properly, that has a large capacity, where everything's very modern, clean, and things are well. And there was the high work ethic and the go-ahead spirit."

The "spark" which employee B refers to is evident when one enters Pramia's premises and observes their everyday operations. The spark refers to the overall atmosphere and attitude towards work. It is the teamwork and the dynamics between the employees and the entrepreneur. Pramia's corporate culture is most visible—including to an outside researcher—in the regular coffee breaks at nine and two o'clock when everyone sits down at the table in the break room. During these breaks, they discuss not only the current business matters but also some personal issues may surface and jokes are cracked all the while. If there are problems or concerns, they are discussed during these coffee breaks. If you do not know who the boss is, it is impossible to identify him based on normal conversation. At some points, it was as though friends were gathered together. When business matters or serious issues were brought up, the entrepreneur took the leader's role again. An atmosphere like this cannot be faked: it was visible, palpable.

"This is a very human workplace. I mean, it's sort of near you in every way. All of us do everything and it's only a good thing. That I've got a cleaning shift is annoying, but it's simply a part of this company and I appreciate that, too. It's a practical example of how nobody's being forced to do anything, like "you're gonna clean up now, you wretches," but it's representative of how we all work towards the company's success." (Emp. B)

"We're all in the same boat, employee and owner." (Emp. A)

At Pramia, the way people work for the company as though it was their own, is special. The employees want to be there and are proud of the company. They are highly motivated of the way things are done there and how they are managed. This may stem from the example the

entrepreneur gives of himself, the way he leads and presumably a very important factor is the way they do business responsibly and constantly develop and move forward. Also, the fact that Pramia is a small company certainly affects the way people commit themselves to the company. There is a straightforward connection with the efforts of the employees and the end result.

The way the entrepreneur leads his employees is worth bringing up in particular. It is also a critical part of the corporate culture and Pramia's success.

"Like boss, like company." (Emp. A)

Every employee praised the entrepreneur for the way he manages the company and leads them.

"Marko is very good with people. He talks to all of us and to each of us in the appropriate manner. And he can delegate tasks according to how much each of us can manage and he's even managed to make all of us better at what we do in some way. The employment periods are really long here, after all." (Emp. B)

"And it does show in day-to-day things like, well he doesn't say it like this every day, but makes it clear that— reminds us of the time, tells us to go and have coffee...or says "go have lunch" or "get on home already." Sort of makes sure that we cope and things like that. It's not all froth, either, you can see it in practice as well." (Emp. C)

The character of the entrepreneur was highlighted many times during the interviews. He tries to treat the employees as equally as possible. For many years, they even had same salary for everyone. He depicted his leadership and its change in the following way:

"Everyone should be treated equally, but in the beginning I tried giving the same instructions and orders to everybody here in the company and it took me several years before I noticed that you've got to tell the same thing to different employees in different ways. In large companies and others there's often this huge resistance towards change when you don't give reasons for why something's done in a particular way. Then when you tell and explain it to the employee...taking into account their own personal abilities. ...yeah, I have to make use of the strengths of each individual employee." (Entr.)

The entrepreneur struggles with what he should do himself and what he should delegate to others. In the beginning he did a large part of the work himself but as the company has grown, it has become more difficult for him to find the balance. He realises that he should focus more on leading and delegating instead of doing things himself:

"I'd almost say that the more employees I have, the more work I have. At least in the beginning... One of the reasons I haven't been too eager to hire more people is because there are a lot of things I can do myself, when I've just got the time. I know entrepreneurs who work like crazy. They put in long hours but have no time to lead. And the efficiency you bring about goes to waste if the employees run about like headless chickens." (Entr.)

Even though the entrepreneur himself describes leadership as a difficult task, the employees did not report noticing it, praising him instead. It seems that although Mäkinen finds leading quite tough, he is a natural at it and does not let the difficulties show. He supports the efforts of his employees and develops them. Also, Mäkinen has realised an important issue one of the employees brought up:

”In a way it’s the motivating factor that grows out of the relationship between the requirements and challenges and your own skills and abilities. Things like, we just had an exercise day together before the winter holidays. ...in a way what we did was we said “the work week ends here and the winter holidays begin here.” I think it [the separation of work and free time] is one very very clear factor. Or at least one reason for it if work ability or well-being start to go south.” (Emp. C)

Mäkinen keeps a clear line between work and free time and does not disturb the employees on holidays or on their free time. On the other hand, by setting an example he demands the employee’s full attention during working time.

” When we come to work we really work and take things forward. During coffee breaks — which are working time as well, after all — we discuss issues in a group. I try to communicate things very openly. I also try not to call employees at home or disturb them. It’s their own time...and I don’t expect workers to keep up with their e-mail in the evening or during weekends or on vacation... but I don’t approve of none of these Facebook things or anything like that at work, either.” (Entr.)

This is how the go-ahead spirit which one of the employees highlighted earlier is created. When they enter the factory premises, they work with full energy and as they leave the factory in the afternoon they leave work behind. This conduct keeps them motivated and energised and Mäkinen gets good results. All in all, Pramia’s corporate culture is admirable. It consists of an atmosphere where everyone is pulling together for the success of the company, friend-like relationships, openness, equality and strong motivation. The entrepreneur’s leadership has a large impact on the company culture. The entrepreneur handles each employee individually, shows respect, sets an example and takes care of the employees’ well-being. He tries to be as egalitarian as possible. Also, he separates work and free time effectively.

4.3.3 Identity

Pramia is not a well-known company at the moment. The entrepreneur would like Pramia to be seen as:

"I'd like clients to understand that we're a diverse alcohol company and we can make different types of alcoholic beverages. In reality, there are only a handful of buyers who decide what sort of selection we have. I think companies like Atria or Valio make the kinds of products they want to make, they don't really care about what the stores want...it'd be great if we had the possibility to have the kind of selection we want and envision. But I'd like people to have the courage at some point to try one of our other products besides the one they've already taken a liking to. And...yeah, I'd like the consumer to realize that we really are a green company."

Employee A also stressed that she does not want customers to have to guess whether Pramia makes good products; she would like the products to gain recognition and trust. Currently she feels they have to constantly remind the public that *"hello, we are here too!"*. The entrepreneur summarised that they want an identity that reflects versatility and genuine friendliness towards the environment. Employee B gave characteristics regarding how she would like Pramia to be seen:

"Pramia needs to be reliable, honest, respectable, of high enough quality. A homely, good fella in a way. We're not looking to get any fancy or any international eco-treehugger stamp, but we want to be exactly like a trustworthy, good fella next door."

This comment indicates trustworthiness, quality, earthiness and not raising responsibility issues too high. It was then discussed whether there will be a uniform identity in the homeland and foreign countries:

"A company the size of Pramia can't have many identities, so it comes from the heart, from the people what it is, and with that we're going to do it." (Emp. B)

The concepts of core identity and extended identity were then introduced to the interviewees and they were asked to comment on them from Pramia's perspective. Core identity was described in the following ways:

"Professional skill and know-how, distilling a complex, multifaceted alcoholic beverage. ...what also makes us stand out and what's part of our competence is packing, because there aren't many bottle makers out there. ...And that we do research on packing technologies and so on is part of our core competence and that's how a good product is born, and responsibility is the icing on the cake. So yeah, that's our core, but if we talk about values and spirit and responsibility as such, then I'd have to say that what's in the heart of our company is Marko Mäkinen." (Emp. B)

"...we can and want to make liquor responsibly." (Emp. A)

Employee A emphasised that the most important thing for the customer in her view is the content and if the customer likes it, they will buy it again. She also pointed out that whatever the text on the label, the methods will remain the same. She would not put too much weight on

responsibility issues. The entrepreneur also feels that know-how and products are at the core of Pramia:

"We can't go on trumpeting how responsible and ecological we are, those things have to come second: always present, but not the main thing. We've gotten a couple of reminders telling us that when it comes down to it, we are a liquor company. ...people come here, just delighted. They've got an open mind like that. Then we start showing them PowerPoint slides, preaching responsibility and environmentalism — suddenly they get all serious. But then I notice that when I move on to the booze department and start talking about that, you can see their faces light up with joy." (Entr.)

It is clear for everyone that the core identity is the know-how and the products. Everyone put responsibility second as the extended identity as they feel the content is most important to the consumers. Interestingly, however, as employee B's comment shows, the company is founded on the entrepreneur's values and characteristics which point to responsibility:

"What's there [in the heart of Pramia] is Marko Mäkinen...everything that he is. ...Our owner and entrepreneur has had his heart in the right place and he's got solid values, so that where it comes from. That's what Pramia is built upon."

The company is responsible to the core but it cannot highlight its responsibility too much as the nature of the industry revolves around the content and that is what the customers buy. People do not buy alcohol only because it is produced in an environmentally friendly fashion: they buy alcohol in any case and Pramia's responsibility can be the motivation to choose their product over another brand. Also, customers still struggle to understand responsibility issues in the first place:

"It's like, a lot of people can understand that a car can have low carbon emissions and a house can be a low-energy house and things like that. It's these big things they can understand. But they don't seem to understand that a small product like this can be environmentally significant." (Entr.)

Interviewees were also asked how they believe customers see them at the moment:

"I think they can't yet really fathom how environmentally friendly and responsible we are when it comes to that. Or actually there are two different kinds of consumers. There are those who know what the whole deal is, they know. Then there are those who've never even heard of Pramia. ...of course, if you never read the newspapers or never follow the media, then sure, you can lead a life without ever knowing what Pramia is." (Entr.)

"I do still believe that they think we're a small company where things are done by hand out there in the backwoods of Ilvesjoki. Perhaps a little old-fashioned and home-grown and local...because they don't know us. So even if they like our product, the consumer might not know that we made it — they think it's bought from Alko, so Altia must've made it. We noticed at the exhibition how some people knew Pramia but they didn't remember any of our products, or they might've known the peanut toffee liqueur but they didn't know who

made it. ...I think the majority of consumers are a bit like, those who don't know us, think that we're a tiny outfit out there somewhere.” (Emp. A)

”Well this is the way I think they see us: as Finnish, kind of old-fashioned in a silly way, you know; sort of rural, of the times gone by, kind of like something that doesn't belong to this day and age. For example, in the Wines and Spirits Trade Days one group of people stopped at our stall and laughed, saying “Look at that! Do these things still exist? It looks like it's straight from the seventies! It says ‘ho-ney-rum-li-queur’.” (Emp. B)

The employees gave brutally honest and clear answers to the question of how they believe Pramia is seen. Even though customers were not interviewed, the employees presumably have a truthful understanding of them. Also, employee B's real-life example above from the Wines and Spirits Trade Days is very descriptive. Pramia's image is very outdated. Employee B answered how she would like customers to see Pramia:

”I'd like for our customers to understand that this is a very modern, forward-looking company where things are really done from the environmental perspective. So yeah, I'd like for our customers to understand that besides having good booze, it's the result of years of thought-out research why it comes in a bottle just like that. And I'd like if this carbon footprint business was printed on our packages as well, now that people are starting to know more and more about it.”

Pramia's value promise was also discussed with employee B and with her answer she summarised Pramia very well:

”There are certain simple numbers we're committed to: having 90 percent smaller logistical carbon footprint than the glass bottle. But, we're also committed to making good alcoholic beverages, smartly packed in a plastic package and environmentally produced.”

This comment aptly summarises the identity of Pramia. They have good products—that is, contents,—sustainable production methods and convenient and environmentally friendly packaging. There is obviously a huge gap between Pramia's identity and image. Employee B commented on what will be done with this obvious gap:

”Well we've already done things. So first we've had to think about what we are ourselves, what we're good at, what our strong suites are, how we should tell people about these things. We started constructing a new image for Pramia, I mean, basically what advertisement agencies do: new slogans, new pictures, windmills, nature photos. We've tried to think about what sort of message conveys the idea that we're dealing with ecological issues here.”

Pramia is trying to tackle this problem with its image now. It is their largest challenge and how they succeed in reducing the gap is probably what determines their future success. Communication is the key in changing their image. It is discussed in detail in chapter 4.3.7.

“Well, based on the feedback we got in one Wines and Spirits Trade Days, people found it rather confusing — I mean confusing in a good way. We had a lot of customers who just dropped their jaws, like, “can this be”, or it sort of gave them pause, made them realize that wow, there are so many different ways of making liquor.” (Emp. B)

Pramia’s largest challenge is the gap between how they would like to be seen (identity) and how they are actually seen (image). They would like to be seen as versatile, trustworthy, representative of good quality, earthy and environmentally friendly. The core identity is the vast know-how and it is supplemented with responsibility. The problem is that customers do not yet even know what Pramia’s core identity is, not to mention its extended identity. It seems that the gap between identity and image can be narrowed and the customers’ outlook on Pramia seems quite malleable, but the customers need more information on Pramia for their opinions to change.

4.3.4 Values

Pramia’s values have not been written down until autumn 2009 when the CSR issues began to be systematically reported.

“Pramia has many values, but they have never been wanted to be written down like as precepts on a board titled “The Values of Pramia.” We’ve very strong values here, but we’ve written them down under six different themes and they are after all visible right there in our CSR principles.” (Emp. B)

It is clear that Pramia has many strong values, otherwise it would not be as responsible as it is, but they seem to be subconscious and thus difficult for the interviewees to state. Everyone spoke of issues which refer to values but as the values of Pramia were asked of them, it became difficult, even for the entrepreneur who is the basis of these values. The question might have been too abstract for them and they probably tried to think about it too hard since after a short discussion they were able to identify some values in their view:

“In a way we’ve always wanted to be responsible, that is, to pay all our taxes, and we’ve always been as good as our words. We’ve never promised too much, either. It’s always been about the Finnishness.” (Emp. A)

“Well the first thing that comes to mind is our respect for the environment and from there we could go on and say that we’re taking it into account in all of our production.” (Emp. C)

The entrepreneur highlighted Pramia being a family-friendly company, which means for example that holidays are held when the employees’ children have holidays. Also, he brought up

openness, diligence, separation of work and free-time but also the larger issues, such as environmental issues. Based on these comments, it can be said that it is not completely clear inside the company what Pramia's values are. All of the issues that were commented are values (economic responsibility, integrity, Finnishness, environmental friendliness and family friendliness) but everyone commented different things. Pramia is a small company and it is therefore understandable that the concept of values has not been given much importance. However, since Pramia has recently started communicating its responsibility externally, the communication must first be internally clear for it to be credible.

4.3.5 Operating environment

Pramia affects and is affected by many different parties and to build a brand, they need to take them into account. When employee B was asked whether they have analysed their operating environment, she replied:

"If what you're asking is whether we've ever drawn maps or hoops or lines, the answer's no, we haven't, but of course we've analyzed our operating environment and we know it well. We've had to learn who's who; who's the supplier and who's the buyer and what are the rules of the game, who's our competition. Yeah, we know it very well. The alcohol industry is small, after all. Finland you learn really quick, Europe you learn pretty quick as well."

Different stakeholders that are important to Pramia were then discussed in more detail. The discussion entailed the opportunities and challenges concerning the stakeholder group in question.

The company itself

The challenges inside Pramia can be summed up as:

"Precisely the integration of small details...there's so much that's part of being a responsible company, seeing as it's made up of things like being environmentally friendly and being ecological, and even being ethical." (Entr.)

It is a significant challenge to create a responsible entity where there are no missing links and even the small pieces support the main question. Large issues such as making production more environmentally friendly and strong corporate culture are already in place. Smaller issues are still in progress: finding a good solution for disposing of excess cardboard boxes, for example. Internal challenges can be summarised under waste disposal, which is Pramia's largest question

internally at this point. So far, all waste has gone into the same bin. Employee C described the issue concerning waste disposal:

"It [the garbage compactor] is right there by the Ilvesjoki road, after all, and if you know where to look... whether you're a potential or non-potential customer, you can see it all right. ...having recycling bins for different sorts of waste in the yard of the production facility gives the impression that we're handling this side of our business as professionally as everything else."

Another challenge which the entrepreneur mentioned concerns salaries. For a long time, they had the same salary for everyone, men and women. Mäkinen wanted to take equality among employees to the maximum but he had to give it up since responsibilities started to change and differ between tasks and the employees were not satisfied with the conduct anymore. He has found defining the salary policy challenging because he wants to be as fair as possible. A very critical challenge concerning the employees is know-how: since they have so few employees, everyone is vital for the company's everyday operations and finding a replacement is extremely difficult (Emp. B).

Employee B commented on the challenges concerning Pramia's responsibility especially:

"...it was difficult for others to adopt the term CSR and responsibility and the sentiment was that well this is the way we've always done it. The challenges of today are on a much more detailed level — I mean, will everybody remember to talk about all the things that are related to being responsible in this company, and there's people who are starting to lose sleep over things like whether our carbon footprint is five hundred forty-eight or five hundred eighty-four. Things that are already a bit too trivial. But there are no fundamental problems with responsibility here. It's always been a part of this company and everyone is committed to that particular set of values. Naturally we've got areas of improvement, we ain't perfect, after all...the only thing we can do is try to recognize 'em, one by one, things that we can do better."

This comment refers to Pramia constantly developing and trying to find better solutions. Also, it indicates that Pramia's responsibility is currently at a point where things have been done but Pramia is still learning to understand all of the issues related to responsibility and speak about them correctly to the public. Responsibility has gone one step further, into communication. During the discussion, employee B also mentioned larger concerns which may be coming in the future:

"And then there are these big boogiemen related to responsibility we can do nothing about just yet but that we're aware of. Acetaldehyde, for example, which is a substance that causes cancer; PET-plastic, which is made of oil, which in turn consumes energy and the oil reserves of the world. So there's plenty to worry about."

It seems that Pramia is well aware of the current challenges inside the company as well the threats which they may have to face in the future. The opportunities inside the company culminate in responsibility. Responsible business gives them the competitive edge and growth opportunities, as mentioned in the previous sections. It also gives them other opportunities:

"If this weren't such a responsible company, all of these people wouldn't have been working here for such a long time. And this company's going to be able to attract competent workforce in the future, too. I think it's a good example that over three hundred people wanted to become an export manager at Pramia, and we're in Ilvesjoki, in the middle of nowhere." (Emp. B)

Pramia's internal challenges can be summarised as organising recycling in a remote location, striving for equality and the small amount of employees and the dependence on them. Future threats have also been identified and are being monitored. Responsibility is what gives Pramia opportunities.

Competitors

Pramia operates in a difficult industry. The alcohol industry is highly regulated and the market is saturated. In the domestic market, the company is being squeezed by the large companies Altria and Pernod Richard, which is the world's second largest alcohol company. The share of the remaining small companies is quite small. (Emp. B) Pramia however has many advantages against competition:

"Our cost structure is just great, really. We've got two people working there [in the production line]. No one's as lean and agile as us. Our production costs are low, we know how to make many sorts of products, we have lots of know-how when it comes to beverages. We design our bottles ourselves, blow our own bottles. A vast know-how. No one else has that." (Emp. B)

When the possibilities concerning the competitors were discussed in the responsibility context, the entrepreneur commented:

"They're a light year behind us, at least when it comes to being ecological. I'm sure many of them are responsible...but it's more of that treehugging type of thing when a company says, bright-eyed, that they are responsible but then they're involved in new nuclear power plant projects. So the reality is quite different in the end. It also gives us the chance to be able to stand out. If we had bottled our liquor in a standard, round glass bottle, I'd never take the risk to start exporting it. Being young and different gives us these chances to stand out, and the most important thing in building a brand is to stand out, after all." (Entr.)

Many companies have CSR-reports nowadays and the alcohol industry is no exception. Employee B compared the CSRs of large companies with their own CSR:

"Well everyone has one. Alko even actually demands that there has to be responsibility. The reports in big companies look like they were made in a big company, that is, reports on corporate social responsibility and pretty texts. The way we've done it so far is that we've done it but we haven't had these pretty texts written down anywhere. I do believe that these days everyone tries to recycle their office paper, at least, because no one wants to be completely indifferent and consumers won't accept neglect on these issues anymore..."

Every company presumably does something for the environment, the society or for the employees. Pramia is however the only one which has taken responsibility issues into account on the large scale. It is the only company which makes its own PET bottles and uses plastic caps. Nevertheless, the challenges with competitors interlink with the opportunities:

"The role of a forerunner truly is very rocky quite often." (Entr.)

By this comment the entrepreneur refers to the point that being too far ahead is equivalent to being as much behind. There is also constantly the fear of other companies eventually following in their footsteps:

"...For six years now we've been the only alcohol factory in Europe who makes their own bottles. ...So there's always the risk that other companies follow in our footsteps and start making their own design bottles. What's difficult for us is that if we now introduce a whiskey to the market in some part of the world and it's a PET bottle and the bottle has all the good qualities, there's no doubt that some other brand's going to pop up at some point. But of course the one who's the first on the market has the upper hand, at least to some extent." (Entr.)

Pramia needs to establish recognition in the market to survive if or when the competitors follow. Because consumers do not yet realize that Pramia is a forerunner, they do not enjoy the safe position of a company who is the first on the market usually does. Pramia also follows their competitors' work on responsibility issues and their CSR reports as their mission is to constantly be as good as or better than the competition (Emp. B). As a small company, Pramia has to constantly struggle with credibility in relation to the large competitors. They have to constantly reassure buyers that they are able to deliver large numbers of goods:

"No matter how hard you argue that large quantities ain't a problem and that we can do it on a tight schedule, there's always a bit of the "oh well, we'll buy from Altia anyway since it's been in the business for so long and they've got big machines and so on." So yeah, it always irks me a bit. We have to become more credible so that it's easier for us to operate... We've cooperated with Alko for almost 20 years now, but even they think we're still small and many of these new buyers have never even been here, in our modern factory. But on the other hand, our delivery reliability has always been close to a hundred percent, so that's one way how we're credible. What's happened with Swedish buyers is that they

have asked us that can you really deliver us ten thousand bottles and [we've replied] that yeah, it'll take us an hour." (Emp. A)

The challenges and opportunities concerning competitors interlink in Pramia's case. While responsibility gives them the competitive edge to expand, being a forerunner means that there is always the risk of others following suite—in Pramia's case, much larger competitors. Also, Pramia's size leads to the constant need to reassure customers of their capability.

Customers

Customer analysis is a challenging issue for Pramia. Industry regulations restrict consumer research. As employee B was asked about the possibilities to research consumers, she replied:

"None whatsoever. We can't do consumer research on Alko customers. We can't interview Alko salespeople. No AC Nielsen can investigate alcohol consumption. This is an impossible situation. If you walk into any Alko store and talk to the store manager you might get something out of it... And there's no way we can do it in a systematical manner."

Pramia conducted survey research once, when it was still possible, and the results showed that their average consumer is a middle-aged or older female who drinks liqueurs. The traditional impression of alcohol consumption, which suggests that young people drink long drinks and cider and men drink hard drinks, for example, is in their view valid in their case as well. This is practically all the information they can glean regarding their customer base. (Emp. A) They also have their sales statistics which contain information on where and when their products are sold the most (Emp. B). Thus, while Pramia has knowledge on its best marketing areas (Entr.), they lack specific information about their customers.

In view of the lack of information on their consumers, it had to be asked how Pramia could begin stressing responsibility issues in their communication if they had no way of knowing whether consumers appreciate it. This is how employee B replied to the question do consumers want responsibility:

"Well, we don't know. We don't know it from the customer's perspective; our point of contact are the purchasing agent and the corporate clients, and in the end, the real challenge in the alcohol industry is to get the product on the shelves, especially in a monopoly. The products will find their way in the customers' homes once we get them on the shelves."

It seems that Pramia is taking a chance in engaging in responsibility as they cannot be sure if consumers will appreciate their efforts. It also seems quite daring to suggest that the consumers

will find the products once they are on the shelves. Employee B emphasised that when Pramia gets on the free market where there are no alcohol monopolies and where it is in principle possible to get any store to sell their products, Pramia's responsibility will become more significant in the communication. The challenge or possible threat with highlighting responsibility is:

"That it doesn't matter at all, or that the customer doesn't care whether we have a small carbon footprint. Who cares as long as it's booze. Or of course that we won't get the message through that this is ecological, this is responsible." (Emp. B)

An important event for Pramia were the Wines and Spirits Trade Days in March 2010 (see picture in appendix 4). Pramia attended it as an exhibitor and received important feedback on the above concerns:

"In the Wines and Spirits Trade Days we got direct feedback from consumers about responsibility and Pramia in general for the first time. It was really good for us. We were really excited after the event because we got to talk with the customers and got the feedback." (Emp. B)

In the exhibition Pramia came forward as a responsible liquor factory for the first time and received a lot positive feedback and enthusiasm. The participants of the exhibition were mainly professionals, but on the final day of the exhibition the visitors were consumers. As Pramia is not a well-known company, they had to first explain the interested visitors what Pramia and its products are and after that they were able to explain responsibility issues as well (observation 18.3 and Emp. A).

"...we all actually experienced it, and noticed that some open-minded person came along and asked hey, what's this? Then I told them. Although it takes, ah, fifteen, twenty minutes to tell it all, the whole packet at once. People are thrilled, they were all like wow, this is my thing. They really become fans." (Entr.)

According to employee A, people did not seem to be able to think that alcohol can be produced ecologically but they responded to the notion positively. They needed the 15 minutes or so to convince the person, but after explaining what Pramia is about, the employees felt that the listeners became potential new customers (Emp. C).

"...they got insights such as, darn it, they do it like this in Finland, this is how it's supposed to be... this is no doubt the way to think about it, and now they have a whole new impression." (Emp. C)

Everyone was extremely happy and satisfied with the outcome after the exhibition and most importantly, they became convinced that the direction they had taken with responsible business,

was the right one (Emp. B). However, one encounter with a consumer revealed a side of Pramia's products to some potential customers which needs to be considered:

"I think they were about, oh, a little over forty, just average consumers...so the comment we got was, these images are conflicting, and said that in the end when they're looking for a good product, that...even though they think that these liquors taste exceptionally good and they fit in with their ideology — they're produced in Finland by Finnish workers, but that the image of a plastic bottle is so cheap in a way that they couldn't imagine putting a plastic bottle on the table in some fancy dinner they arrange for their friends at home, for example." (Emp. C)

The plastic bottle sends a cheap signal to these customers and presumably to many more. This is an issue Pramia needs to take into account and try to alter, even though attitudes may be difficult to change. In any event, it is promising that even those who rejected Pramia in the beginning admitted at some point that environmental issues cannot be neglected and that Pramia has got a point (Emp. C). Even the professionals left with a new image:

"There was even an Alko employee who admitted as he was leaving that he had to give Pramia a whole another thought. He said flat out that he had never thought about it that much, that he had tasted our liquor before but that now he has a whole new impression...that now he has a newfound confidence in us. It was clear that he thought the product had felt cheap, somehow. That Pramia's some small factory that churns out a couple of bottles somewhere out there." (Emp. C)

As employee C was asked where she thought this newfound credibility stemmed from, whether she thought it was Pramia as a whole or its responsibility, she answered:

"It's a bit difficult to say which one it was, but I got the feeling that it was the responsibility that did it. It also helped that he got to taste a couple of our products and that we had the long conversation."

The entrepreneur has faith in the growing consumer need for responsible business in the future:

"I mean, today, if we just think about Finland, being ecological or responsible isn't very important for an average alcohol consumer. But if you walk up to a young person today and ask them to tell you about the greenhouse effect or carbon dioxide emissions or things like that and they'll give you a half hour presentation. Today's youth are tomorrow's consumers, so it's happening, the trend's becoming more popular."

Because of the alcohol industry's strictness, Pramia's knowledge on consumers is lacking, which is a significant challenge. The decision to start emphasising responsibility issues was not therefore made on a steady foundation but the extremely positive feedback received on the exhibition gave them encouragement that the direction they have taken is the right one. However, the consumers need to be educated to elicit the right response and change their past opinions.

Suppliers

Employee B does not see any challenges with the supply chain at the moment because it is so well refined:

"Well they [suppliers] have been fine-tuned to perfection. That we've thought about logistics from an ecological point of view makes up a big part of how Pramia is ecological. We always deliver a full truckload to Alko's central warehouse and that's it. ...I mean, we always think through the logistical aspects. We'd rather buy a shipping container full of cognac even if it lies right there in the warehouse for a year than import a thousand liters at a time."

Pramia chooses its suppliers and sources carefully. Only the most reliable and responsible sources are chosen:

"For example, we passed up on buying ethanol from one of the Baltic countries when we were able to get the same stuff from Finland and we suspected that the Finnish ethanol was more responsibly produced than the one from the Baltic country. It was tolerably more expensive so we could make the decision of buying it, but we haven't checked each source. We do try, but checking something like Barbadian rum is extremely difficult. Especially when there are middlemen involved." (Emp. B)

As the comment reveals, it is difficult to track down every source, especially the further back the source goes. Employee B believes that in the future they will examine their suppliers even more carefully than now. Currently, the suppliers are chosen with care and monitored but they could receive even more attention.

Society

Society has not set other challenges besides legislative restrictions so far.

"There haven't been any [challenges] but it's always possible that people start blaming us for making something that's dangerous to people. There hasn't been any of that. ...Well, I suppose it's only a part of the contradictory nature of the alcohol industry." (Emp. B)

There could be some resentment towards the society for the strict legislation it puts on the alcohol industry but at Pramia they are not seen that way:

"Well, they [the societal regulations] are a pretty good thing, really. We don't mind being regulated. I mean, making liquor is very strictly regulated, but if you've got everything in order, there's no problem. So you're welcome to visit us, Valvira³." (Emp. B)

³ The national supervisory authority for welfare and health

Pramia also follows public discussion closely and tries to foresee upcoming threats and opportunities:

"We really try to keep up with it [the public discussion] and predict what's going to happen and yeah, we've been long aware of things like acetaldehyde that have gotten a lot of press later on. We do it in many ways, all of these bioplastic projects and others. ... We read the papers very carefully during the Copenhagen climate summit. We know at least as much about wind power here as in any wind power company." (Emp. B)

Pramia also acknowledges the potential risk of putting weight on responsibility in the marketing:

"If you make environmental issues your selling point you're simultaneously putting yourself on the line. I've heard from my colleagues that...when you go down that road, you're going to hear about it. You'll have to face difficult questions, especially from all sorts of environmental organisations, where they are really fanatic about environmental issues, and in a way they don't think it's enough that someone has done something for the environment; they think you've got to have a perfect record and they call everything into question. So that's one risk." (Emp. B)

When one engages in responsibility issues, one also needs to be ready to be questioned about it. Pramia has realised this and is preparing itself by following the public discussion and being open to scrutiny and comments.

4.3.6 Long-term goals

Pramia is a forward-looking company and it is trying to become better and to foresee possibilities and challenges. Pramia clearly focuses more on long-term goals but they also have some short-term goals. Pramia's official short-term goal is to grow 20 percent during 2011–2012, which means substantial growth in the international markets. Pramia has taken large steps towards this goal last year and they are confident that they will reach it. (Emp. B). The entrepreneur also mentioned putting exportation into practise as a short-term goal. The impact of responsibility will be significant in realising the goal. Another short-term goal is to write down Pramia's first CSR report and to put it on their web site to start getting feedback on it. (Emp. B)

Pramia's far-sightedness came up in the interviewees frequently. They have lots of knowledge on future possibilities and new methods to produce alcohol beverages. The amount of information they have collected and especially the fire they have to develop themselves is incredible. In the long run, the entrepreneur sees possibilities for many developments that today sound revolutionary:

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The communication challenge comes up again. The processes are there, the future goals are set, but the public is unaware of the huge steps Pramia is taking. Communication will become pivotal. In conclusion, it can be said that Pramia has both short-term and long-term goals but their focus is mainly on the long-term and they are extremely farsighted. They are constantly searching for better solutions for the environment and the society without taking the easy the way out. Pramia's short-term goals focus on exportation and growth.

4.3.7 Factual communication

"One threshold we've yet to cross is let's say 60–70 percent of the adult population knowing what Pramia is." (Entr.)

Pramia's largest challenge overall is its unfamiliarity. Pramia is tackling this issue with communication and they are in the process of determining how exactly to achieve it. The entrepreneur explained how Pramia has communicated so far:

"We've never had a pitchman on the field. ... We've saved the money we would've used on the salesperson for direct marketing. How we've done marketing for a long time is just cut all the middlemen and negotiate directly with one of the media and haggle as much as we can and we've gained a decent amount of visibility with that method."

Pramia has saved money by directly negotiating their advertising with the media of their choice. They have primarily used print advertising such as local newspapers, tabloids and newspapers. They have learned the hard way to use different media and not stick with only one. Pramia's market area has been the entire Finland which has caused challenges for marketing as resources are scarce. In relation to Pramia's size, the entrepreneur feels they have however received quite a lot of visibility. (Entr.) Pramia has also used radio and television as communication channels but advertising has become more difficult:

"...it [the media] is so fragmented these days that there aren't many media outlets you can use to reach the entire population. I suppose there's no medium these days that reaches everyone." (Entr.)

Recently Pramia has focused on local papers as their reading value is so good. They have also done outdoor advertising where the emphasis has been in Lapland. There is, for example, a giant billboard with a picture of Pramia's bottles in the main ski slope in Levi. Outdoor advertising is something the entrepreneur would like to do more. Pramia has used its bottle row in all advertising to achieve repetition (see appendix 6 for the bottle row). The corporate brand has

always been in the margin and the products have been in the center. The entrepreneur explained this with the peculiarity of the strictly-regulated alcohol advertising:

”So we’ve done quite a lot of fact-based advertisement, where you’ve got a picture of the product and its name and ABV.⁴ We can’t really do image advertisement, our ads can’t imply that alcohol makes you physically stronger or makes you a hero... so our promotion is based more on product information. Some breweries push their luck... and get warnings for sure. ...This is totally different than any other kind of advertisement, because with other products you can use all sorts of images and make all kinds of almost empty promises.”

Pramia’s advertising has thus focused on facts; on specific information on the product and way it looks. Only products with an ABV lower than 22% can be advertised. The rest of the products have spoken for themselves and surprisingly they have been the largest sellers.

”It’s really hard for us to advertise, too, since if we only promote Pramia, people won’t know where to get it and what it looks like. So we have to advertise our products the way they are, where you can get them, and it’s kind of no-frills advertisement, we can’t really use any gimmicks. Brands like Baileys or Koskenkorva or Absolut, they just play with colors and shapes and people know right away what it’s all about. So that’s one big challenge for us, I think.” (Emp. A)

It is difficult to advertise without initial recognition. Pramia is still trying to become known and with relatively scarce resources, they have felt they have had to focus on factual and simple marketing. With that kind of marketing, however, it may be difficult to get noticed and to stay memorable.

“...in Finland still, as well, we’re still at a point where the name Pramia says nothing to well over fifty percent of the Finns. So what we need to establish is, when someone sees the name Pramia or sees an ad or something, they’ll recognize right away that Pramia is a Finnish liquor factory and so-and-so is its biggest product. ...The brand needs to be built. So that they’d know that we’re a liquor factory that considers environmental values important. What we’ve got now is that a lot of people recognize— that they’re familiar with peanut toffee liqueur, but they don’t know who made it. So that’s one conflict we need to resolve.” (Emp. A)

Product brands have previously been in the centre, but it was identifiable that there is a growing need for the corporate brand as well. The interviewees said that products need to be kept in the centre stage, but at the same time their comments, like the one above, reveal another story and give away the need for the corporate brand of Pramia to be recognised. They are contemplating whether the product brand or the corporate brand should be highlighted. As employee B was

⁴ Alcohol by volume, a standard measure of how much alcohol is contained in an alcoholic beverage.

asked which one will receive the centre stage in the future, products or Pramia, this is how she answered:

"Products, unfortunately. ...I'd like to make a brand for the company and that's actually what we're doing. We're emphasizing the "a responsible maker of alcoholic beverages" theme, but there are many reasons for why we still need to try to create a brand for the products, too — one reason being that the products are scattered around the shelves in Alko. With exporting, we initially planned on having a vodka called Pramia and a scotch called Pramia and a liqueur called Pramia, but that's not the way it works. We've had to admit to ourselves that that's not the way the alcohol industry works. It's a shame, being such a small company and all, because resources are limited and we've got to distribute them among so many products. But yeah, we've got to create the image one product at a time."

Employee A commented that the focus needs to be both on products and promoting Pramia. In the international markets, changes in the communication are possible when they introduce their products to the market in different countries. For example, for the Swedish market, they already have different labels and different products. Finnish products and their design lag behind at this point and Pramia cannot quickly alter the design of the products already in Alko stores even if they want to. Also, the existing products need to be kept recognisable; "Honeytar," for example, has been in the market for fifteen years and it would not be wise to alter its design too much. (Emp. A) New products, however, can have a completely different design (Emp. A and Emp. B).

Two logos have previously stood for responsibility in Pramia's communication: one with a wind turbine, and one with a slogan on the plastic bottle saying "light, durable, convenient" (Entr.). Also, as previously mentioned, Pramia tried to point out its responsibility by emphasising that their products are only sold in Finnish Alko stores. It is presumable that the latter in particular has not been perceived as responsible or received much attention in the public. The marks have been more informative but have received little attention in the communication. They have been a small extra when advertising the products. In the future, responsibility issues will receive more attention in communication but there seems to be a slight debate on how much more attention is needed and especially on how to do it. All of the interviewees agreed that responsibility cannot be the only thing that is highlighted:

"What's got to be the most important thing for the customer is the content, what's inside the bottle." (Entr.)

"I don't see it as a reason to buy our liquor, either, that we make green liquor, but it's a good bonus when you compare similar products." (Emp. B)

"Are we going to market it as some wonderful product, environmental in small print or ENVIRONMENTAL IN LARGE PRINT...I think the case is that the product has to break through first. After all, people are going to buy the product or the content of the bottle based on how much it costs and realize only then that hey wait a minute, this is good in other ways, too." (Emp. A)

Employee A reported how an expert had consulted them:

"...you can't necessarily put all your eggs in one basket and consider it as the only meaningful value. People won't necessarily buy the liquor based on whether it's ecological, the whole package needs to look smart and neat."

However, the comments varied from context to context. At some point the interviewees emphasised responsibility issues and at another point again stressed the importance of the products and consigned responsibility issues to the background. Employee B replied to the question on how the planned communication will differ from previous:

"Now the word "responsibility" will go to the top..."

Based on this comment it would seem that responsibility issues will receive a lot of weight in the marketing of the company. The interviewees gave mixed signals during the interviewees, which point to the notion that there is some confusion with Pramia's plans for communication and that the direction they will take is not self-evident as a whole. There are also some concerns in highlighting responsibility issues:

"In a way, if we take it [responsibility] as our main theme in our marketing, we need to stay on top of things ourselves and we're sort of placing ourselves in a position where everyone can freely judge us, whether we are environmentally friendly." (Entr.)

Employee A sees responsibility or ecological issues only as one part of the entity:

"Sure, we can highlight it [responsibility], but whether we'll succeed is uncertain, so I think we still need to be a bit careful. I think it's fine the way it is now, with the label on the back of the bottle saying what's in there and so on. Now I'm not saying that we should just ignore it or write it off or anything that we're a carbon-neutral business, but we've got to be proud of it and tell— but at the same time I also think that the products are what matter the most."

It may be that this fear refers to the role of the forerunner. They cannot know for sure how they will be received if they emphasise responsibility. It is a risk. However, if they emphasise it too little, it will not have any effect and the efforts they have taken will still remain as internal knowledge. The entrepreneur described a situation which made them step back and realise that they cannot emphasise responsibility too much. In the spring of 2010, Pramia had a visitor to whom they began to explain what Pramia is about. As the visitor was told about Pramia's

responsibility in a proud manner, he started to laugh and mock at every turn. In the end he was able to say: “*Don’t you make booze here at all? Is it like, all you do is environmental acts?*” The entrepreneur then continued:

”They [environmental issues and responsibility] are minor points, after all. We’re still...a liquor factory and we’ve got bottles and we put booze in them. If a group of visitors come here, they’re not here to hear about how environmental we are. They come here to hear about liquor...and we’ll mention the other aspects somewhere along the way. And if somebody asks, we’ll give them more information. And this is what we’ve got to remember and that’s the reason why we can’t base our marketing and communication on environmental issues alone. It makes people to do a double take, thinking wait a second, what’s this here.” (Entr.)

Especially in an industry where business is not expected to be done in a responsible manner, one needs to be very careful how to portray it. Responsibility is seen as Pramia’s competitive edge but there is the problem of how to tell it to the consumer:

”Responsibility creates...a lot of opportunities for us. But the problem still is how to tell it to the consumer. We can already convince the purchasing agent, no problem. And the purchasing agent will say yeah, we’ll sell it, let’s see how it goes for three months. And we’re in a bit of a trouble if the goods don’t sell. They’re going to come along and say, too bad, it didn’t sell.” (Entr.)

In countries where the alcohol industry is under a monopoly, there are two challenges: first of all to get products on store shelves via the monopoly’s buyer and secondly to get the consumers to buy them from the shelves. Responsibility issues—the plastic bottle especially—are a way for Pramia to get the buyers’ attention. The buyers understand and take responsibility issues positively. (Entr.) The largest challenge was described as getting the products on the shelves. The consumers would then find them there (Emp. B). The entrepreneur however pointed out that it is also a challenge to get the consumers to buy the products. They have a strategy to tackle this issue:

”The way it’s going to work is that we’ll make it responsibly, in an environmental fashion, our product, but the package is cheaper, the cap is cheaper. We’ve got good technology and we can achieve a very low unit price. But we don’t want our product to get that “cheap bottle” label, so when the shopkeeper puts our product on their shelf, in a way the one who sells the glass bottle has to sell it for a slightly higher price. We can sell ours for cheaper. But we hope the prices are kept the same in the retailer’s shelf so that the customer can make the choice between the two. ...what the shopkeeper is interested in is getting a better contribution margin. The consumer might not be willing to pay more for this environmental, responsible product, but when it’s the same price as the glass bottle, the consumer will realize that well they don’t really care, that they might as well choose this one. Then they start inspecting the label and notice that hey now, this stuff is responsibly produced. So that’s how it’s going to work.” (Entr.)

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remains whether the consumers will understand the message Pramia attempts to convey when buying their products. (Entr.)

While Pramia received extremely positive feedback for their responsibility during the Wines and Spirits Trade Days, the problem is that it took fifteen to twenty minutes to explain Pramia to the customer. It seems that the road to take in communication is to compress that critical fifteen minutes into a short package. An important channel for information in the future will be Pramia's official web site, which at the moment is still in its infancy. The site contains only a few references to responsibility (Pramia's official website). It does not yet bring out the innovativeness and the responsibility of the company. These other means of communication have been planned and some already implemented:

"It [responsibility] is going to have it's own section on our website, where we're going to go into detail on the six different themes of Pramia and then we're going to have some of those nature photos and our bottles will have ecolabels. We've tried to come up with ways of making the regular consumer realize that there's something ecological going on here. All of these, you know, labels on our bottles and nature photographs and the word responsibility. ...Our new Drink and Punch magazine already very strongly conveys the idea of responsibility. So what can be changed quickly — that is, ad material that we make ourselves — will be changed quickly." (Emp. B)

Pramia has done new brochures where their responsibility has received new importance through placing emphasis on the six themes (Pramia Company, Pramia Place, Pramia Production, Pramia Thinking, Pramia Bottle and Pramia Drinks) and a new slogan "For us, taking care of the environment is not a trend. It's just what we have always done.". The largest single act in communicating Pramia's responsibility was the Drink and Punch pull-out which was distributed inside Suomela magazine in the end of April 2010. Suomela's distribution is 1 450 000 copies and it was delivered to every house, duplex, row house and others in Finland. The pull-out contained recipes and information on Pramia, and it had a special section dedicated entirely to Pramia's responsibility. They have already received a huge amount of feedback thanking Pramia for nice drink recipes and mentioning how they also read about Pramia's responsibility. The entrepreneur felt that they succeeded in getting the message through to the people. Pramia's communication material has developed enormously in 2010. The corporate brand and especially Pramia's ecological responsibility are getting more visibility. An example of one of Pramia's prospective new products and its label can be seen in appendix 7.

The risk exists that responsibility issues are sometimes highlighted too much. It is important to remember what else the company is about. When Employee A was asked which aspect to focus on in the communication, she answered:

"Well it has to be the ecological aspect, and Finnish exoticism, how others see it. ...the product has to be international, fine, ecological, but it also needs to be clear that it's Nordic and that it's cleanly produced."

Pramia has previously based its advertising on facts but now it is going to highlight responsibility with factual communication as well. Many companies today commit to greenwashing and Pramia has a chance to stand out from these companies by showing facts about its responsibility:

"...if you read one of those customer magazines of, say, Neste Oil or anyone else — and let's keep in mind here that Neste Oil deals in oil, after all — if you read their customer magazine, it's all greenwashing and treehugging and it makes you think that environmentalism is all this company is about. So what's going on is greenwashing and that's what they're really good at. ...us, though, we have these as facts." (Entr.)

The entrepreneur pointed out photographs as an example. Marketing agencies normally take pictures from somewhere else and use them in advertisements. At Pramia, photos that are now used in their marketing campaigns are taken from their backyard:

"If you've got a traditional liquor factory in a city somewhere or in one of those ugly industrial areas, no one's going to take a photograph of that. But we've got values here that many Finns appreciate and foreigners especially. ...But we don't see it ourselves. ...And now that we've got our own wind turbine and all, of course we often feel like we don't want to go on and on about the wind turbine and we don't feel like talking about the working environment and so on. But for the guy who's listening, for them it's often the first time they hear about it." (Entr.)

Pramia does not have to be scared of getting caught of greenwashing and this is a huge advantage for them. They have now started to realise this and that they need to let others know about what they are actually doing in the forests of Ilvesjoki for it to have an impact. An example of factual communication is that Mäkinen pulled an optical cable to the wind turbine for showing real-time footage from the turbine and figures on how much output it is creating. It does not get more real than that.

"It's like facts, facts, facts." (Entr.)

Pramia has previously focused on communicating its product brands in a factual and simple way. Factual communication will continue, but stressing responsibility issues implies the need to

highlight the corporate brand as well to get the message across. Pramia has excellent plans for portraying responsibility in the bottles (putting a band on the neck of the bottle, for example) and they have already produced new and more informative communication material. However, the interviews revealed that they are still in doubt on how much weight they can put on responsibility. They received positive feedback in the exhibition and on the pull-out they distributed. They need to determine how much weight to put on responsibility and then strongly and confidently push it to the customers to reap the benefits. Insecurity is still evident. Pramia has huge benefits over the competition. They have an ideal foundation: they have excellent cost structure and they do not need to be afraid of greenwashing. They have a powerful competitive edge. What is needed now is the confidence to use it, to continue in the direction they have taken and to execute their plans. Pramia cannot advertise like large companies can because of their scarce resources but they are considering alternative ways of gaining visibility (such as competitions). Small companies need to find new ways to compete. Whether Pramia will manage to communicate their vast know-how and responsibility to consumers will determine their success.

4.3.8 Quality system

Pramia uses the ISO9001:2008 quality system, which they use to evaluate and improve their operations. It was re-certified last November. Within the quality system they have quality targets, which are monitored to secure that everything operates as expected: making sure product quality and deliveries are in order, for example. The quality system goes also by the name *activity system*, which also includes plans for in-house quality control, industrial safety and fire and rescue. (Emp. A)

Pramia has set target values which need to be maintained and if the percentage value falls short of the target, the system reports it and the whole crew addresses the issues. The quality system monitors things like total sales, bottling volume, delivery capability, production wastage, customer reclamations and withdrawn products, as well as sales and marketing. In summary, the system evaluates efficiency and quality. For example, Pramia's target value with reclamations is 0.05% and the percentage is currently 0.01% of production, which is almost non-existent. Bureau Veritas, which has granted the certificate, annually sends an inspector. Pramia also does internal

audits, and they do them more frequently than necessary because they feel it is beneficial for them. (Emp. A) The system has made evaluation more systematic and up-to-date:

"We had almost every aspect under scrutiny already, now we've just written everything down more carefully and we monitor things better. That means that now there's no danger of letting things slide for half a year and only then do something about it, we can make changes somewhat quicker now. ...although it does take more time and effort now, things've improved." (Emp. A)

The original reason why Pramia adopted the quality system was not because they were required to but because they wanted to:

"...what with this whole export business and all, us wanting to take our product abroad at some point, we thought that this quality system's going to lend us some credibility, that people are going to see that we're doing things right...to demonstrate our reliability and responsibility to everyone and we noticed that hey, this stuff's actually useful also, it really is." (Emp. A)

Pramia wanted credibility, and they wanted to be able to show something concrete by having a quality system. Employee A described how their dilemma has not been that they have not done what they need to, the washings for example; they have done them, naturally, but they have not always remembered to write anything down, which in the eyes of the quality inspector and the public amounts to not having done anything. This can again be seen as descriptive of the repeatedly emerging problem of communication. Pramia does the things, but they do not necessarily realise to write them down anywhere or communicate, which leads to the result that nobody knows about the efforts or—even worse—it looks like that they have not done anything.

The next step with the quality system is to add an environmental management system (ISO4001), which would not require much from Pramia as most of the requirements are already met (Emp. B and Emp. A).

"It'd give an additional boost to our image and at the same time, well, since we're already responsible and all, why not have this environmental system as well." (Emp. A)

The success after the efforts to emphasise responsibility issues will be evaluated by normal growth:

"The way we measure it is whether we get that 20 percent of growth we want or not. That's the ultimate indicator." (Emp. B)

Pramia's purpose is to grow and get better end results, as expected of a private company. Pramia is not a charitable organisation; its purpose is to make a profit to its owner and to secure the

income of its employees. However, Pramia also has other agendas besides money. One would therefore expect it to also have other indicators of success. But, of course, growth would indicate that the customers want to support a responsible brand. In the end, in business, success is determined by profit.

4.4 Empirical model for building a responsible Pramia

”...responsibility. It’s such an integral part of Pramia that there’s no way of separating it. You can’t just take away the competitive advantage of a company. It’ll stop being successful. We just need to keep gently pushing it on. ...responsibility resides in the hearts and minds of people, us employees at the moment. It’s just, it just equals Pramia.”
(Emp. B)

In many ways, Pramia is an exemplar of a responsible brand. Yet it has never made a big deal out of itself, it has just operated in the best suitable way for itself. Pramia’s responsible brand building can be seen as consisting of eight themes: (1) vision and purpose, (2) corporate culture and leadership, (3) identity, (4) values, (5) operating environment, (6) long-term goals, (7) factual communication and (8) quality system (see figure 7).

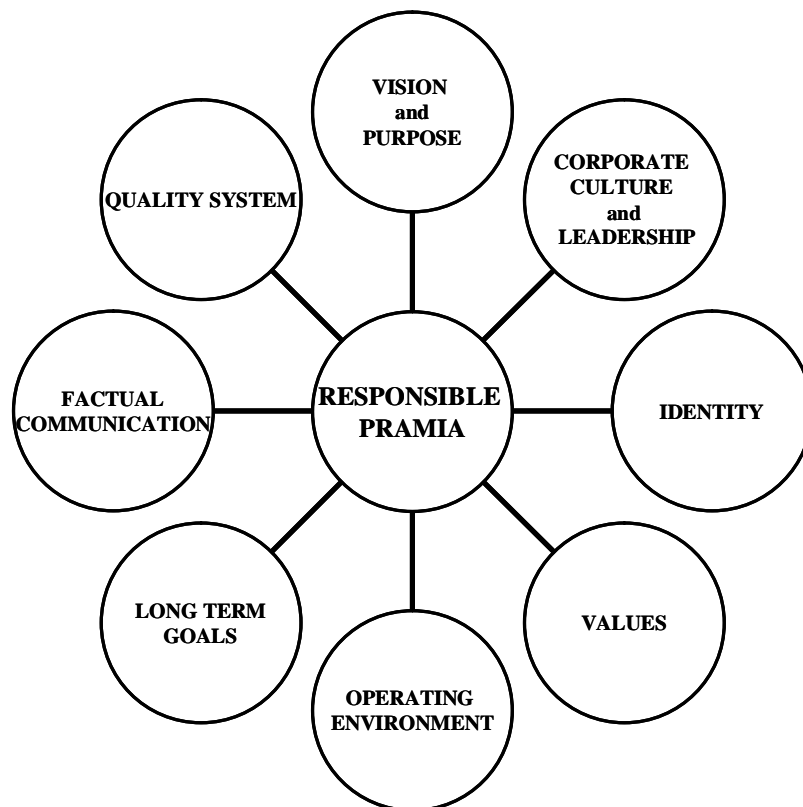


Figure 7 Empirical model for building a responsible Pramia

Vision and purpose are the starting points and thus are important factors in building a responsible Pramia. Without the entrepreneur's vision and ability to dream big, they would never have taken the huge steps in environmental responsibility they have, for example. The entrepreneur's vision guides them in becoming larger and more responsible. Currently Pramia's vision is to internationalise to the Nordic countries and perhaps also to Europe and to receive more recognition. Their profile will be raised and responsibility will have a large influence on it. The weight responsibility will receive in the actualisation of this vision is however still under debate. Purpose also has a major role in Pramia's responsibility as they justify their existence with providing a responsible alternative and setting an example to other companies. Other reasons are the impact the company has on the local area and Finnishness.

Culture and leadership are an integral part of Pramia's responsibility: they work as a foundation for other operations. Culture makes Pramia genuine. Pramia's culture and "the spark" the company has consist of an atmosphere where each and every employee pulls together for the success of the company, close relationships, openness, equality and strong motivation. Leadership has a major role in creating this culture. The entrepreneur handles employees individually, shows his respect, sets an example, takes care of the employees' well-being, is as egalitarian as possible and keeps work and free time separate.

Pramia's identity consists of two parts: know-how and responsibility. Their vast know-how is the core identity, but responsibility has an important role in supplementing it. Pramia's identity is a combination of both know-how and responsibility. All in all, Pramia would like to be seen as versatile, trustworthy, earthy, environmentally friendly and representative of good quality. Currently Pramia faces a huge gap between how it would like to be seen and how it is actually seen by consumers.

Values have a strong role in Pramia's responsibility but they were difficult to state inside the company. They are deeply rooted in the company and on a subconscious level. Values are the driving force of their decisions. The values were identified as openness, diligence, keeping work and free-time separate, standing behind words, Finnishness, environmental friendliness and family friendliness.

Pramia analyses its operating environment constantly to detect challenges and opportunities. They know their internal challenges well and they have identified responsibility as their opportunity. They are also aware of future threats. Competitors and suppliers have been analysed and are monitored. Pramia also closely follows public discussion. Particularly as a small company they need to keep careful track of what happens around them. Customers are the only key stakeholder they have difficulties analysing because of the strictness of the industry and this presents them with a large challenge.

Long-term goals are an important aspect in responsible Pramia: it is a unique company in that it looks forward and tries to find better solutions for the environment and the society without looking for the easy the way out. Their farsightedness is what makes them truly responsible and different from other companies. They are never satisfied with the current situation. They always see things to improve.

Communication is the most challenging and critical aspect in Pramia's brand building. It is what makes or breaks Pramia becoming a responsible brand. The public does not know that Pramia has genuinely responsible operations in place, nor are Pramia and its products well-known, or at least the image people have of the company is outdated. Pramia is tackling this issue with renewed communication material (such as new brochures, marks and pictures) and by putting emphasis on the message of responsibility. They are going to continue factual communication, which means showing facts to back up their words as they do not have to be afraid of greenwashing like large corporations which often begin their CSRs with words, not actions. Pramia does not have the resources to promote the brand much but they are going take advantage of their excellent cost structure and compete abroad with "regular" brands in the same price category and hope that consumers find them and as they buy the product, they will also get the responsibility message. To get the message across, they are planning new labels and new ways to bring responsibility forth (such as adding a neck band to their bottles). Participating in international industry competitions will be one way for them to try and get free visibility. Overall, in the future, the corporate brand will receive more attention as responsibility is so strongly associated with the company and its operations. Pramia is searching for the right combination of highlighting the product itself as well as responsibility.

Lastly, quality system is an integral part of Pramia's responsibility. Through it they are able to monitor and evaluate their operations. They are also able to address problems more quickly. The system will soon be integrated into the environmental management system which will correspond with their needs better.

No clear order between the themes in Pramia's responsible brand building could be determined. Vision and purpose are clearly the moving force and communication and evaluation come last, but the other themes are in a way equal parts of Pramia's responsibility and they can not be put in a certain order.

It was also discussed with the entrepreneur how responsible brand building differs from brand building and he had some excellent insights. First of all, an ordinary brand is built very short-sightedly by looking only at money: that is, where to get it the cheapest. The entrepreneur points out how especially listed companies look only at the prevailing result and lose sight of the necessary investments and improvements which become needed in the near future. Responsible brand-building refers to farsightedness and anticipation.

"It's not simply about, sort of, mental coaching, like...all right, now we've got these bad glass bottles here, how about next week we have good plastic bottles. You really— you can't just plan it on paper...they're long processes, all of them. Responsibility, environmentalism, just having them on paper won't do any good, just deciding all of a sudden that hey NOW we'll become. Doesn't happen overnight." (Entr.)

It is often thought that adopting responsibility will be costly and eat up lots of resources. Mäkinen opposes this view:

"Responsibility and being ecological, for us they're ways of saving costs, but we do use them in advertising and marketing and in our entire image. In the end, they're significant in lots of ways, and I see that the end result is better."

The purpose of Pramia is also to make a profit and they see responsibility not only as an agenda by itself but also as a way of helping them make a better profit. Responsibility can improve the end result when implemented genuinely without the fear of getting caught for greenwashing. In addition, the entrepreneur highlighted the want to constantly learn and to bravely engage stakeholders in the learning process:

"[We need to] take a stand during negotiations [with stakeholders] that we've done this and this and do you have any ideas on what we'd still need to do? ...we need to go, and we will go at some point and even meet some of these environmental associations and

organisations...to present ourselves and ask...what we still need to try out or do, so an attitude that we don't get proud and say that we already know it all."

Pramia wants to be challenged and questioned for example by students and environmental organisations and thus be given opportunities to develop (Emp. B). Mäkinen strongly emphasises the importance of being humble and continuing to improve and to being ready and open for changes:

"We've got to be truly humble. ...we need to look at new methods and it might be that there's a method that it is realized after a while...that it's somehow dangerous or toxic, then we need to be able to develop still. Responsibility and environmental issues and everything that's related, I don't know whether you can ever say that all right, now we're done, now we're a company that's completely ready in all aspects in this field." (Entr.)

Perhaps the most important thing in responsible brand-building that the entrepreneur brought up is that you are never ready. There are always things you can do better and as new opportunities and threats emerge, you have to be willing to change. A responsible brand develops and grows continuously. Characteristics of a responsible brand can be thus summarised as far-sightedness, anticipation, will to constantly learn and to also engage stakeholders in the process, humbleness, being ready and willing to be questioned, openness and willingness to develop and grow as well as never being ready.

5 SUMMARY AND CONCLUSIONS

5.1 Summary of the theoretical part

The world of brands has undergone a revolution especially because of the internet and the new possibilities it provides for instant and global communication. Expectations towards companies' ethical behaviour have grown and they emerge outside as well as inside the companies. Companies adopt corporate social responsibility policies to answer these expectations. There are also other reasons for implementing CSR: it has positive effects on image and reputation, it helps to motivate, retain and recruit staff, it may provide cost savings, efficiency, improved access to capital, increased revenue and it works as risk management. Brands are at the forefront of business life and they are the face of the companies. For responsibility to have meaning, brands need to change, too.

Research on responsible brands has mainly focused on the external customer perspective and on the effect responsibility has on customer behaviour. Earlier research showed that research on the companies' internal perspective—that is, brand building—is lacking and in particular that empirical research on building responsible brands is non-existent. The research purpose was derived from this finding, that is, to find out how responsible brands are built internally. The research questions were defined as:

- How are responsible brands built in theory?
- How are responsible brands built in practice?

Research was limited to corporate brands which already exist. The theoretical part's purpose was to answer the first question and the empirical part to the second question. Conclusions on responsible brand-building are drawn from bridging these findings.

There are different principles at play in responsible branding. Firstly, responsible brands need to make sure they deliver what they promise in communication. The focus is on the long-term, and the short-term financial goals need to fit the long, strategic view and not be the only agenda. Internal and external stakeholders are not only considered but also engaged in the company's operations to find mutual benefits. A responsible brand creates a new kind of a community surrounding it. Stakeholders are seen as more important than before. Employees are understood

as a critical part in the implementation of a responsible brand. They are not just an item of expenditure. The operations of a company need to be kept as transparent as possible to build credibility and good reputation. At the same time, however, it is critical that companies do not forget their core business and get blinded by responsibility.

Many authors have addressed brand-building. There are certain common issues that emerge from the existing brand-building literature: brand vision, analysis of the operating environment, brand identity, internal coherence, positioning, implementation or execution and evaluation or monitoring. These common factors were then discussed in the context of responsibility and transformed into stages in responsible brand-building: identifying vision, analysing key stakeholders, creating brand identity, defining brand objectives, implementing and evaluating.

Vision consists of three components: the desired future environment ten years hence, the purpose and the values. It should not have any false claims, yet it must be focused and real enough to have meaning for people. Vision serves as a guide in the process. Analysing key stakeholders is a way of finding the factors in the stakeholder environment that might promote or impede the responsibility efforts. The forces that need to be analysed are the customers, competitors, the company itself and other stakeholders such as distributors and the macro-environment. A brand is in many ways co-owned by the company and its stakeholders. Engaging in responsibility automatically affects the identity of the brand. Identity provides the brand direction, purpose and meaning. Responsibility can be implemented either as a core or an extended identity. Core identity is the essence or soul of the brand and extended identity is the extra. Defining brand objectives refers to considering the long-term and short-term objectives of the brand to clearly establish what the brand must achieve at specified times. Responsible brands need to have a comprehensive long-term strategy which is then broken down into shorter-term goals.

Implementing is crucial, because no matter how thoroughly a company builds its brand internally, if it is not communicated to the consumers or if the communication fails, the brand is pointless. Implementation refers to publicising the message of the brand, ensuring that the message reaches its target and making sure it is delivered. Stakeholders are extremely quick to contest the brand image and denounce any efforts they deem hypocritical or insufficient and the instant brands highlight responsibility they also need to be ready to be challenged about it. This puts pressure on implementation. Giving information to consumers is critical in implementation

as consumers need to get access to information on brands to make better ethical judgements and purchase decisions. The challenge is that ethical consumers are often skeptical of corporate self-promotion. Finally, after implementation, the ensuing activities and results need to be evaluated. Both internal and external brand performance needs to be tracked. The results are compared to the vision and it is then possible to evaluate whether the brand objectives have been reached. The evaluation stage provides an opportunity to review how the brand-building has succeeded and what still needs to be improved. Based on these six stages, a theoretical model for building a responsible brand was presented.

Every aspect of responsible brand-building needs more emphasis than general brand building as the audience is much more critical and responsible brands deal with reality, not fantasy. The whole company needs to be committed to the process of building responsibility and line up behind it together. If the company fails to fulfil this requirement, internal inconsistencies can result in a lot of fine words without true actions and the efforts will have been useless. However, the purpose of a company cannot be to use responsibility for “good” alone. The purpose of a responsible brand is to conjoin the core business and responsibility without one repressing the other.

5.2 Summary of the empirical part

The purpose of the empirical part was to answer the research question of how responsible brands are built in practice. The empirical data was gathered by using the case study method. Multiple sources of evidence were used. Data was gathered from the case company Pramia mainly via personal interviews but also by observing and utilising documents such as private and public documents.

Pramia is a small privately own alcohol beverage manufacturer located in Ilvesjoki, Southern Ostrobothnia. Pramia has become responsible without consciously aspiring towards it. Responsibility surfaced after Pramia started searching for a competitive advantage they could use in exportation. Pramia’s responsibility is multiform and vast. While it consists of all aspects of CSR (economic, social and environmental responsibility), Pramia has focused mainly on its environmental responsibility. Economic responsibility consists of providing income to the family, employees and local area, as well as paying taxes to the state. Pramia is different from

public companies in that it is not accountable to shareholders. Internally, social responsibility is related to employees and externally it is like a village community. In the future it will also expand to charity. Their environmental responsibility is vast: it means making the production methods and the product itself as environmentally friendly as possible.

There are four identifiable reasons behind Pramia's responsibility: the entrepreneur's influence—that is, his personal values and life experience—cost savings and practical reasons, the quest for competitive advantage, as well as stakeholder demands. Pramia operates in a problematic industry and they acknowledge it. The arguments Pramia uses for its operations are the free choice of the individual, choosing reliable and responsible partners as well as giving an environmentally sound alternative to other alcohol products, which people use regardless of whether Pramia exists.

Pramia's responsible brand building consists of eight themes: vision and purpose, corporate culture and leadership, identity, values, operating environment, long-term goals, factual communication and quality system. The entrepreneur's vision has initiated the process of becoming responsible, even though they have not understood their actions as corporate responsibility. Their vision guides them towards better and more responsible solutions. Vision and purpose are the starting point of building a responsible Pramia. They justify their existence with providing a responsible alternative and setting an example to other companies, as well with the impact they have on the local area and Finnishness. Culture and leadership are an integral part of Pramia's responsibility because they work as a basis for other operations. Culture makes Pramia genuine. Pramia's culture and its "spark" consist of an atmosphere where everyone pulls together for the success of the company, tight relationships, openness, equality and strong motivation. Leadership has a major impact on creating the culture. Leadership consists of handling each employee individually, showing respect, setting an example, taking care of the employees' well-being, equality and separating work and free time.

Pramia's identity is a combination of know-how and responsibility. Know-how is at the core and responsibility has an important supplementary role. All in all, Pramia would like to be seen as versatile, trustworthy, earthy, environmentally friendly and representative of good quality. Values have a strong role in Pramia's responsibility even though they were difficult to state inside the company as they are deeply rooted in the company and on a subconscious level. The

values were identified as openness, diligence, separating work and free-time, trustworthiness, Finnishness, environmental friendliness and family-friendliness. Pramia is well aware of its operating environment as it analyses it constantly to detect challenges and opportunities. They acknowledge the challenges and opportunities inside the company as well as regarding competitors, suppliers and the society. The strictness of the industry causes difficulties in getting information on its customers, which poses a challenge for Pramia. Pramia focuses on its long-term goals: it is a unique company in that it looks forward and tries to find better solutions for the environment and the society without looking for the easy way out. Their farsightedness makes them truly responsible and different from many companies which focus only on short-term financial goals.

Communication is the most challenging and critical aspect in Pramia's brand building. The public does not know that Pramia has genuinely responsible operations in place, nor are Pramia and its products well-known, or at least the image people have of the company is outdated. Pramia is trying to tackle this issue with renewed communication material and by bringing the responsibility message and the corporate brand forward. They are continuing factual communication which means backing up their words with facts; they do not have to be afraid of greenwashing like large corporations which often begin CSR with words, not actions. Pramia is searching for the right combination of bringing forth the product itself as well as responsibility. Lastly, an integral part of Pramia's responsibility is their quality system through which they monitor and evaluate their operations as well as address coming or emerged problems. In the future, the system will be integrated into the environmental management system which will correspond with their needs better.

Based on the eight themes, an empirical model for building a responsible Pramia was presented. No clear order between the themes could be determined except that vision and purpose are clearly the moving force and communication and evaluation come last, but the other themes are in a way equal parts or premises of Pramia's responsibility. Differences between responsible brand building and general brand building were also discussed. The characteristics of a responsible brand can be summarised as far-sightedness, anticipation, the will to constantly learn and to also engage stakeholders in the process, humbleness, being ready and willingness to be questioned, openness and willingness to develop and grow, as well as never being ready.

5.3 Bridging theory and practice

Theory and practice highlight similar issues in responsible brand building but their contents and focuses vary slightly. Theory emphasises the importance of identifying vision, analysing key stakeholders, creating brand identity, defining brand objectives, implementing and evaluating. In Pramia's case, responsible brand building consists of vision and purpose, corporate culture and leadership, identity, values, operating environment, long-term goals, factual communication and quality system. On the whole, it seems that the empirical findings on responsible brand building support the theory.

Vision and purpose were important for responsible brand building both in theory (de Chernatony 2003; Urde 2003; Merrilees and Miller 2008) and in practice. Vision is what initiates the process and guides it. Purpose gives the brand meaning. They are the starting point of the building process. Responsible brand building is a longitudinal process (Maio 2003; Yan 2003; Willmott 2003) and thus it becomes even more critical to clearly establish the vision. The analysis of key stakeholders emerged also both in theory (Maio 2003; Aaker 2002; Schultz 2005) and practice. It was important for Pramia to analyse its operating environment to find the key forces which might hinder its efforts and to find the possibilities in a tightly regulated and saturated market. Especially the importance of self-analysis, following public discussion and engaging stakeholders were highlighted. Pramia wants to engage environmental organisations to develop further in responsibility. They are thus implementing exactly what the literature on responsibility and brand building suggests by engaging and integrating more stakeholders (Maio 2003; Yan 2003; Schultz 2005). Responsible brands are open to mutual learning.

An issue which received some attention in brand-building literature (de Chernatony 2003) but which was identified as very integral in practice is corporate culture and leadership. Culture is what gives the companies the authenticity that the literature on responsible brands called for. If the culture does not correspond by its atmosphere with what the brand strives for, the responsibility has no foundation. The atmosphere is visible in the way employees speak about the company. In Pramia's case everyone spoke about pulling together for the success of the company and they spoke highly of their leader. Empirical evidence supported the theory's claim that responsible brands would have more motivated workforce (e.g. Weber 2008; Willmott 2003). Empirical evidence also pointed to the major impact leadership has on culture, so it is

something responsible brands need to concentrate on. Pramia's case suggests that one important issue which builds motivation is for the leader to set an example.

The idea of brand identity in the responsibility context as either the core or extended identity (Aaker 2002; Crane 2001) was supported in the case company. It is not however a straightforward division as Pramia, for instance, struggled to determine exactly how much weight to give to responsibility without becoming rejected by the public. However, Pramia has already received positive feedback for its responsibility from customers as they have begun to bring their new image forward. This evidence also gave support to earlier research which implies a positive link between corporate responsibility and customer behaviour (e.g. Folkes & Kamins 1999; de Pelsmacker et al. 2005; Madrigal & Boush 2008). Nevertheless, the impact on Pramia's actual sales is not yet visible. It remains to be seen. Values emerged from the empirical data as a separate issue instead of just being a part of vision as the literature on brand building suggested. In responsible brand building, strong values are needed (Maio 2003; Willmott 2003) and they should be given more focus. Values are the basis of responsible brands which drive the decisions.

Brand building literature suggests defining short-term and long-term objectives for the brand. Pramia had both objectives for the brand but they focused mainly on the long-term goals and on the long-term view, which would support the notion that responsible brands should focus more on the long-term view, instead of the short-term (Maio 2003; Yan 2003; Willmott 2003). Responsible brands need to look forward, anticipate changes and readjust. Also, the empirical data emphasised communication in implementation. The literature argues that communication is pivotal and that it is a challenge for responsible brands as the audience needs more information than before while at the same time being more cynical and critical (Crane 2005; Jahdi & Acikdilli 2009). The challenge became evident in Pramia's case as communication was identified as their largest challenge. Responsible brands need to show reliable sources and facts in their communication. Self-made CSR reports will not satisfy the needs of ethical consumers (Berry and McEachern 2005). Pramia is going to use factual communication, which means for example photos of the area where the factory is situated, real-time footage from the wind turbine and written facts on brochures. Pramia does not have to be afraid of greenwashing as they have begun with actions, not with words. Responsible brands need to deal with facts to prevent damages to the reputation (Maio 2003; Yan 2003; Fan 2005). As long as there are facts to back

up the promotion, companies do not need to be afraid of getting caught of greenwashing. However, because the audience is so cynical, companies need to prepare themselves to be questioned as they begin highlighting responsibility (Jahdi & Acikdilli 2009). They need to be open and transparent to answer this cynicism.

The last issue which emerged both from theory (Aaker 2002; de Chernatony 2003; Schultz 2005) and practice is evaluation. Key to sustaining a responsible brand is to evaluate the company's operations and the quality it produces. By evaluating and monitoring, the brand is able to constantly improve and detect threats. Responsible brand building is a continuing process. Based on the findings of theory and practice, a refined model for building a responsible brand was created (see figure 8).

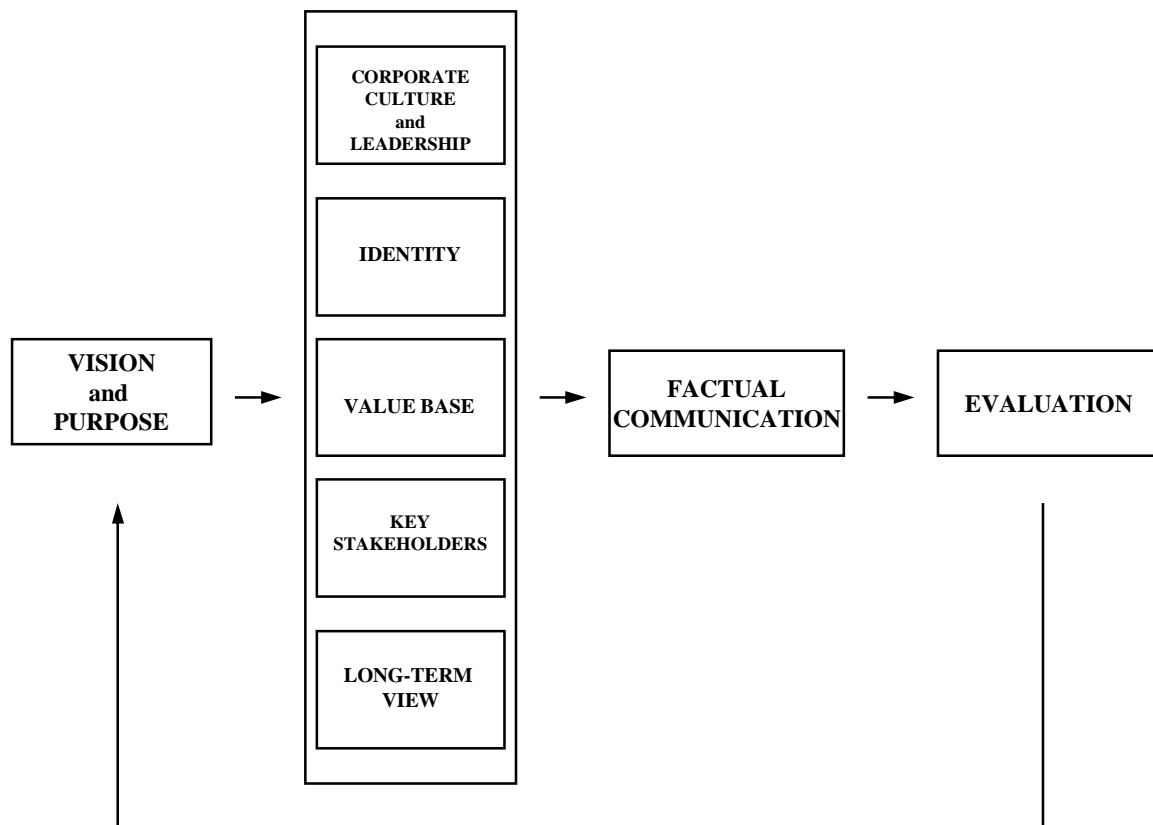


Figure 8 Model for building a responsible brand

This refined model for building a responsible brand differs from the theoretical model by the order of the stages as well as by content. Vision and purpose are the starting points of the process. In this model, purpose is emphasised along vision. Corporate culture and leadership,

identity (either core or extended), value base, key stakeholders and long-term view are the premises of the brand which need to be thought through for them to support the responsible brand. Empirical evidence suggested that no clear order could be determined for these premises and thus they are brought out as equal parts and not in phases following the other. Corporate culture and leadership as well as value base were added to the model, as empirical evidence suggested, and objectives have been changed to a more suited long-term view. After the premises are established, the brand's message is communicated to the consumers and other stakeholders but it is crucial that it is based on facts. Communication's role was emphasised in the empirical data and thus it is highlighted in this model. Being factual entails overall implementation, that is, making sure promises are also delivered. Finally, the process will be evaluated and the results will be compared to the initial vision and purpose. The different stages are interlinked and affect each other. It is acknowledged that this model is indicative but it points relevant issues in responsible brand building which need to be considered.

Some principles or characteristics of responsible brands can also be identified from theory (Maio 2003; Yan 2003; Willmott 2003) and practice. First of all, responsible brands need to deliver what they promise in communication. Responsible brands are far-sighted and short-term financial goals need to fit the long-term view and not be the only agenda. They have a will to constantly learn and to engage internal and external stakeholders in the process to find mutual benefits. Responsible brands are open and willing to be questioned on their actions. They are also willing to constantly develop and grow. Responsible brands also possess a certain humbleness which demonstrates the understanding that as a responsible brand, you are never ready. There is always something to improve. Companies need to be as transparent as possible to build credibility and good reputation. Companies cannot, however, forget their core business and get distracted by responsibility. Also, as Szmigin et al. (2007) pointed out and empirical data supported their claim, attributes concerning responsibility are measured by consumers among a bundle of other brand values. Responsibility cannot be the only value the brand offers.

All in all, responsible branding cannot be addressed headlong and based simply on changing market preferences. Responsible brands require systematic brand building with concrete responsible actions, not mere advertising. In general, when building a brand, a company can create almost whatever identity it wants and communicate the brand however it likes. In

responsible brand building this is not possible, or at least wise. There have to be real actions behind the brand. Responsible brands need to be based on reality to be credible.

It is vital for a responsible brand to have a correspondence between the communication and the actual processes behind it as responsible brands have more critical and cynical customers than other brands. If promises are broken, the brand's credibility and trust will be lost and they are difficult to regain. In general brand building, the outcome of betraying stakeholders' trust is also damaging, but not as much as when the brand has committed to responsibility and then breaks the trust. Responsible brand building is a challenging process but there is also a lot of benefit to be gained if it is done well and on a secure foundation. Responsible brands have more motivated workforce, more efficient processes and better reputation, for example.

Responsible brand building is a comprehensive process where everything is interrelated. It is important to remember that the brand needs to be communicated to consumers and other stakeholders, too. Only when both the internal processes and communication are in place can a responsible brand be built.

5.4 Future research opportunities

Responsible brand building is a broad subject and because of the size limitation, this thesis examined it as a whole without going too deeply into each stage. In future research, the different stages or elements of responsible brand building should be examined in more detail to deepen the understanding of a complicated subject. For example, brand identity and communication are wide subjects and they should be examined in more detail in the context of responsibility to discover the issues companies should focus on. This thesis attempted to explain the integral stages and principles in responsible brand building and leave the door open for further research.

The case company in this thesis was a small company and operating in a very specific industry. In future research, the model presented in this thesis needs to be validated with further case studies from other small companies, larger companies and other industries. The alcohol industry puts more strain on responsibility and it would be interesting to discover if and how responsible brand building differs in industries that are not as controversial, or are the process and the basic challenges the same in all industries. Also, it would be interesting to find out how the size of a

company affects responsible brand building. How does responsible brand building differ between a small and a large company? How do multinational companies manage the building process and ensure responsibility throughout its organisation? More empirical data needs to be gathered.

After doing research on the internal company perspective, the external customer perspective needs to be examined (figure 1) to get a holistic and balanced understanding of responsible brands. Brands are created in the minds of the consumers and they are the ones who determine whether responsible brand building has succeeded in the end. Thus an equally important research topic should be the customer perspective. For example, the elements of responsibility that are appreciated by consumers and why they should be researched, as well as how are responsible brands evaluated.

The research opportunities concerning responsible brands are infinite as they can be examined either from inside the company or externally from the stakeholders' point of view. As responsible business receives growing attention and interest from different parties, more research is sorely needed.

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APPENDICES

APPENDIX 1: Interviewees

Pramia Ltd

| Interviewee (title and name): | Date of interview |
|--|---------------------------------|
| Entrepreneur, Marko Mäkinen | 31.3, 14.5 |
| Export Manager, Minja Kivinen | 12.3, 31.3, 14.5 + 23.3 (phone) |
| Product Manager, Raisa Siltala | 31.3, 14.5 |
| Restaurant Marketing Manager, Minna Kallio-Kyyny | 31.3 |
| In total: | 9 interviews, 391 minutes |

APPENDIX 2: Documents

Private documents:

Pramia's CSR principles
 Company presentation, November 2009
 Pramia, ecologically responsible, presentation
 Export strategy and plan
 Responsibility – this is how we speak
 Labels

Public documents:

Drink and punch pull-out, 2010
 Drink and punch pull-out, 2009
 Press release, "Ecologically responsible liquor factory"
 Pramia's brochure, Wines and spirits trade days, March 2010
 Newspaper articles, Pramia's archives

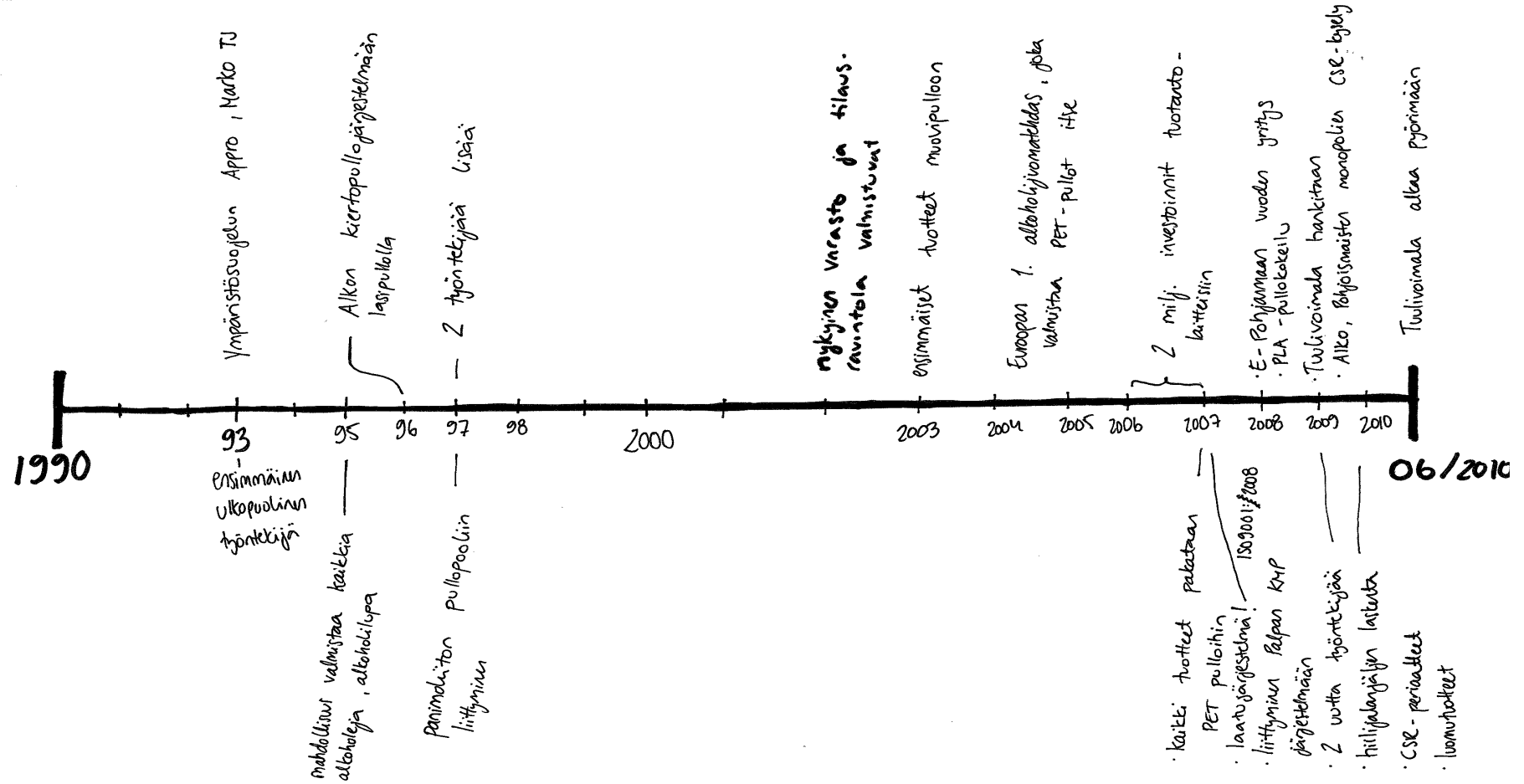
APPENDIX 3: Interview outline

- VISION:**
- What is Pramia's vision?
 - Where do you see Pramia in 10 years? Where would you like to see?
 - What do you see as Pramia's purpose? Why does Pramia exist?
 - What kind of values Pramia has?
- RESPONSIBILITY:**
- What does responsibility mean in your view?
 - What does responsible Pramia mean?
 - Does it have personal meaning to you?
 - How do you see responsibility in relation to the problematic alcohol industry?
- ANALYSIS:**
- Have you analysed Pramia's operating environment, different stakeholders?
 - What kind of pressures or opportunities do you see rising? Inside the company, competitors, customers, suppliers, the society in general, the environment, responsibility.
- IDENTITY:**
- How would you like customers to see Pramia?
 - What is in the core of Pramia?
 - How do you believe customers see Pramia at the moment?
- GOALS:**
- What is your long-term goal or strategy?
 - What kind of short-term goals do you have?
 - Has the responsibility theme affected the goals? -
- IMPLEMENTATION:**
- What does Pramia promise its customers?
 - How does Pramia market itself at the moment?
 - Has Pramia's communication changed along the responsibility theme? How does it differ?
 - What kind of plans do you have for communication?
- EVALUATION:**
- Do you evaluate Pramia's operations/success in some way?
 - Do you have some evaluation systems?
 - What kind of ways to receive feedback from customers?
 - What kind of things do you see that could still be improved?

APPENDIX 4: Wines and Spirits Trade days



APPENDIX 5: Group exercise, Pramia's responsibility timeline



APPENDIX 6: Pramia's bottle row

APPENDIX 7: An example of Pramia's prospective new product and its label

Page 110 is confidential until 20.8.2013.