

UNIVERSITY OF TAMPERE
School of Management

**BUILDING CUSTOMER-BASED BRAND EQUITY THROUGH
CORPORATE SOCIAL RESPONSIBILITY**

Case Haglöfs

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ABSTRACT

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The purpose of this research is to describe and analyze how the company's corporate social responsibility (CSR) activities are influencing its customer-based brand equity. The study is focused on the customer perspective of researching responsible brands. Actions towards responsible branding and corporate social responsibility have been taken into account in many companies, but it is not clear how consumers perceive those activities. This thesis focuses on customer preferences and attitudes towards the case company's responsible brand.

This thesis combines literature on customers' preferences about brands as a whole and about companies' corporate social responsibility. Customers' perceptions are investigated through customer-based brand equity, which gives important insights of how customers really feel, think and act towards brands. Consumers' CSR knowledge is studied through three factors (1) CSR awareness, (2) CSR relevance and meaningfulness and (3) CSR transferability in order to find out whether CSR can have an influence on customer-based brand equity.

The empirical part is conducted as a qualitative case study. The case company is Swedish outdoor-clothing company Haglöfs. The empirical data has been gathered mainly from using focus group interviews. Three focus groups were conducted and altogether nine of the case company's customers were interviewed. Complementary data has been gathered using key informant interviews and utilizing company documents in order to achieve deeper information of Haglöfs' responsibility. The key informants are two directors of the case company's executive group.

The results reveal that consumers' CSR awareness is essential if companies desire to become perceived as responsible. Consumers' CSR awareness, which is their knowledge of companies' CSR targets, can be increased through companies CSR information and responsibility filled marketing messages. If there is CSR awareness, consumers can evaluate the extent to which CSR is relevant and meaningful to the brand. The empirical findings suggested that they are actually evaluating CSR-industry fit, CSR-brand fit and CSR-brand-customer fit. These evaluations might have more detailed influences on different brand associations, which are building customer-based brand equity. Based on the empirical findings, the original third factor is left out because interviewees could not transfer CSR associations to Haglöfs' brand due to the lack of CSR communication.

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Tämän tutkimuksen tarkoituksena on kuvata ja analysoida yrityksen yhteiskunnallisen vastuun merkitystä asiakaslähtöisen brändipääoman muodostuksessa. Tutkimus keskittyy vastuullisten brändien tutkimiseen asiakkaiden näkökulmasta. Vastuullisen brändin rakentaminen ja yhteiskuntavastuullisen toiminnan omaksuminen osaksi liiketoimintaa on kasvattanut suosiotaan monissa yrityksissä, mutta asiakkaiden mielipiteet ja näkemykset näistä toimenpiteistä eivät kuitenkaan ole selvillä.

Tässä tutkimuksessa yhdistetään aiempaa kirjallisuutta asiakkaiden mielipiteistä brändejä kohtaan sekä heidän näkemyksiään yritysten vastuullisuudesta. Asiakkaiden mielipiteitä on tutkittu asiakaslähtöisen brändipääoman kautta. Tämä antaa tärkeää tietoa siitä, kuinka asiakkaat kokevat brändin. Asiakkaiden tietämystä yritysten yhteiskunnallisesta vastuusta on tutkittu kolmen osa-alueen kautta - tietoisuus vastuullisuudesta, vastuullisuuden relevanttius ja merkitys brändille sekä vastuullisuuden siirrettävyys - jotta saadaan selville, liittävätkö asiakkaat vastuullisuuden yrityksen brändipääomaan.

Tutkimuksen empiirinen osuus on toteutettu kvalitatiivisena tapaustutkimuksena, jossa tapausyrityksenä on ruotsalainen ulkoiluvaatteita ja -tarvikkeita valmistava Haglöfs. Empiirinen aineisto on kerätty pääasiassa fokusryhmähaastatteluilla, joihin osallistui yhteensä yhdeksän Haglöfsin asiakasta. Täydentävänä tietona on käytetty tapausyrityksen avainhenkilöiden haastatteluja sekä yrityksen dokumentteja, joista on saatu syvällisempää tietoa tapausyrityksen vastuullisuutta edistävästä toimenpiteistä.

Tulokset paljastavat, että jotta yritykset koettaisiin vastuullisina, tulee kuluttajilla olla tietoa yritysten yhteiskunnallisesta vastuusta yleisesti. Asiakkaiden tietoisuutta vastuullisuudesta voidaan kasvattaa yritysten markkinointiviestinnällä. Kun asiakkaat ovat tietoisia vastuullisuudesta, he voivat arvioida sen relevanttius ja merkityksellisyyttä brändille omista lähtökohdistaan. Tulosten perusteella asiakkaat arvioivat brändin vastuullisuutta toimialan ja yrityksen asiakkaiden kautta. Jos vastuullisuus sopii brändille, se voidaan yhdistää brändiin liitettäviin assosiaatioihin ja mielikuviin. Alkuperäinen kolmas osa-alue (vastuullisuuden siirrettävyys) jätettiin pois lopullisista tuloksista, koska asiakkaat eivät osanneet oma-aloitteisesti siirtää vastuullisuuden assosiaatioita Haglöfsin brändiin, kun vastuullisuutta sisältävää markkinointiviestintää ei ole ollut.

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1 INTRODUCTION

1.1 Significance of responsibility in business context

In the past, it was fairly easy and unproblematic for companies to create a desired brand image and control it by information sent to customers. Companies communicated through their marketing messages and there were few information sources for consumers. Today, internet has changed the communication process towards more complex and transparent nature. Consumers can get different kinds of information from a variety of sources. Internet has provided a platform where consumers can send and receive any kind of information about companies (Popoli 2011, 419). Today's consumers are also more concerned with environmental and social issues. This has changed the field of business significantly.

Social responsibility and sustainability are not new terms in business. Many different views to approach responsibility have been represented in business journals. There can be found many similar terms in the research field: responsibility, corporate citizenship (Matten & Crane 2005), business ethics (Carrigan & Attalla 2001), ethical consumption (de Pelsmacker, Driesen & Rayp 2005), sustainability and corporate social responsibility (CSR) (Kitchin 2003; Burke & Logsdon 1996). However, corporate scandals, environmental issues and resource shortages have put the ethical and political roles of businesses on everyone's agenda (Deigendesch 2009). The trend has been shifting more towards socially responsible wave. As Kapferer (2012, 312) argues that yesterday's trend 'Big is beautiful' has changed to 'Big is responsible' referring to that large companies have taken responsibility programs into account. Responsibility and ethical issues have taken center stage in today's society and as a result companies are increasingly concerned about their ethical image (Brunk & Blümelhuber 2011, 134). Increasing number of companies has included CSR reports on their web sites.

In this thesis, the crucial term is corporate social responsibility (CSR). Kitchin (2003, 313) divides the term CSR into three different divisions: it could be something to do with non-governmental organizations (NGOs), charitable donations or the ethical treatment of employees. He also states that CSR is defined by each group from its own perspective in

order to meet its own aims. Baker (2004) defines corporate social responsibility as follows: “CSR is about how companies manage the business processes to produce an overall positive impact on society.” The World Business Council for Sustainable Development (WBCSD) defines CSR as follows: "Corporate Social Responsibility is the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large." (WBCSD 2010) Mohr, Webb and Harris (2001, 47) define CSR as “a company’s commitment to minimizing or eliminating any harmful effects and maximizing its long-run beneficial impact on society”. Regardless of the target chosen, CSR efforts are generally intended to portray an image of a company as responsive to the needs of the society (Ellen, Webb & Mohr 2006, 148).

Many different CSR activities can be identified in the business context. Frequently, there is a clear interplay between environment, ethics and economy when companies are planning their CSR programs. de Pelsmacker et. al. (2005, 364) point out that some forms of ethical consumption and CSR activities benefit the natural environment while others benefit people. For example, environmentally friendly products and producing processes, animal well-being and reductions in greenhouse gas emissions are benefiting the natural environment. CSR activities benefitting people are, for example, focusing on working conditions, prohibition of child labor and human rights. Also companies are focusing more and more on the job satisfaction and employee wellbeing and safety. Peloza and Shang (2011, 120) categorize CSR activities into three categories: philanthropy, business practices and product-related. Philanthropy is a dominant category in CSR activities and can be seen as cause-related marketing, cash donations, support for charities, community involvement, employee volunteerism and event sponsorship. Business practices, according to Peloza and Shang (2011, 121), are enhancing value for stakeholders. These practices can be, for example, environmental protection, ethical behavior and child labor prohibition. Their third category, product-related CSR activities, is referring to organic and green products, which are not polluting the environment.

In 1996 Burke and Logsdon pointed out that corporate social responsibility pays off for the firm and as well as for the firm’s stakeholders and the society in general. This trend seems to keep continuing. In recent years, CSR has emerged in the field of academic research as well as in business (Klein & Dawar 2003, 203). Firms are engaging in CSR activities more and

more not only because it is recommended by stakeholders but also because of their own internal interest towards the benefits of responsibility. This new wave of ethical behavior brings demands for enhanced transparency and corporate citizenship.

According to Klein and Dawar (2003, 203), multiple research on corporate social responsibility (CSR) in marketing has shown that (1) CSR plays a role in consumers' brand and product evaluations and (2) CSR has a spillover or halo effect on otherwise unrelated consumer judgments. The empowerment of today's consumers gives them lots of power and authority. Consumers can translate their ethical concerns by means of buying products for their positive qualities, for example by buying 'green' products, or by boycotting products for their negative qualities, for example not buying products made by children (de Pelsmacker et al. 2005, 364).

Consumers are increasingly conscious of ethical, environmental and social issues in making their purchase decisions, which demands responsible products and services from companies (Crane 2005, 219). This creates challenges for today's brand building. It is said, that the best predictors of the brands of tomorrow are young consumers. According to Kapferer (2012, 126-127) future brands are very active in communication, symbolizing a unique and strong value proposition, moving towards deep, authentic and long-term values and being very ethical. In reference to goodpurpose2012-research (Cone 2012), companies need to stand beyond making profits to be successful today.

According to Kujala, Penttilä & Tuominen (2011, 6), the rise of "ethical consumerism" has been associated with consumer activism, which has intensified the social responsibility placed upon brands. This growing trend, where consumers buy intangibility, justice and conscience, is challenging the common theories of consumer rationality (Bezencon & Blili 2010, 1305). In 2012, 76% of global consumers believe it is acceptable for brands to support good causes and make money at the same time (Cone 2012). Ethical consumers understand that responsibility is not always philanthropy and charity and they accept that companies and brands are "doing well by doing good". As Deigendesch (2009) argued that profits and ethics are not contradictions. Beside ethical consumers, the term "citizen consumers" has also occurred in the responsibility literature. Citizen consumers are supporting brands and companies more than ever before (Cone 2012). This type of consumer is vocal, empowered, conscious and interested in societal issues. Cone argues in her research (2012), that when

quality and price are at the same level, consumers make their purchase decisions by brand's social purpose. The research even argues that social purpose is outpacing some of the traditional purchase triggers such as brand loyalty, design and innovation. Their results are supporting this argument: 72% of consumers would recommend a brand that supports a good cause over one that doesn't, 71% of consumers would help a brand promote their products or services if there is a good cause behind and 73% of consumers would switch brands if a different brand of similar quality supported a good cause (Cone 2012).

It is important for companies to analyze the industry they are operating in before planning any responsible actions. The active sportswear product group is one of the most heavily branded areas in the global apparel market (Tong & Hawley 2009, 262). Due to tough competition, outdoor-clothing companies need to gain a competitive advantage outside normal business activities. Corporate social responsibility activities can be considerable sources for achieving competitive advantage in consumers' minds. Clothing companies have been accused for poor working conditions and child labor because these companies keep their production in low-cost countries (Islam & Deegan 2010, 131). However, it is reasonable for these companies to engage in responsible activities because they have many targets to affect.

1.2 Purpose of the study and research questions

The research of responsible brands can be divided into an external and internal perspective, that is, a customer and company perspective. According to Kujala and Penttilä (2009), the research field can be seen to be divided into two entities: brands and branding. Branding is viewed from the company perspective and brands from customers' perspective. However, both entities are intertwined but figure 1 helps in determining from which perspective to look at the topic.

In the business field, there seems to be little earlier research of consumers' CSR awareness and its effects on brand equity (Dolnicar & Pomeroy 2009, 285). In this thesis, the case company has already built a responsible brand and now they want to know whether customers value their responsibility and sustainability. Although many companies have put CSR activities in their agendas, it is not clear how their customers are thinking about those activities (Du, Bhattacharya & Sen 2007, 226). This thesis is going to take a customer

perspective and study customer preferences and attitudes towards the case company's responsible brand.

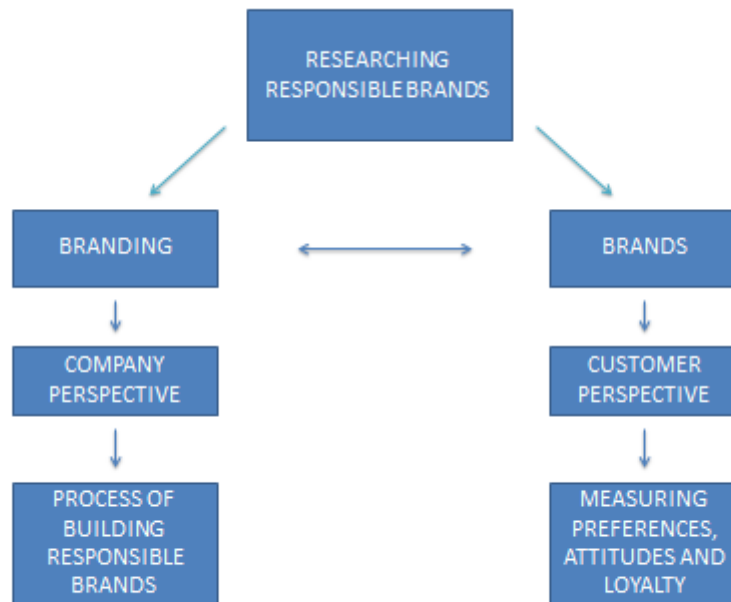


Figure 1 Framework for researching responsible brands (Kujala & Penttilä 2009)

The purpose of this research is to describe and analyze how the company's corporate social responsibility activities are influencing its customer-based brand equity. The research purpose is specified with the following research questions:

1. What kinds of brand associations form customer-based brand equity?
2. How are the CSR activities influencing customer-based brand equity?

After answering these questions, the results will be examined together in order to benefit the case company in understanding how the brand equity is forming, and formed, in the minds of their customers and whether their responsibility brings added value to customers. These results may help the case company, for example, recognizing their customers' preferences and attitudes towards responsibility and help them in planning their future responsibility and marketing activities.

2 BUILDING CUSTOMER-BASED BRAND EQUITY

2.1 The concept of brand equity

According to American Marketing Association (2013), "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. A brand often includes an explicit logo, fonts, color schemes, symbols, sound which may be developed to represent implicit values, ideas, and even personality." Branding has been in marketing literature for centuries as a means to distinguish the goods from competitors' goods (Keller 2008, 2). In theory, when a marketer creates a logo, name or a new product, that is the birth of a new brand. However, brands can have a powerful symbolic significance (Tuominen 1999, 65) and should not be treated only as a name or logo.

There is no universally accepted definition of brand equity represented in the marketing literature. However, past studies seem to agree that brand equity denotes the added value endowed by the brand to the product (Christodoulides & de Chernatony 2010, 45). Keller (2008, 49) points out that this added value works like a bridge that links what has happened to the brand in the past and what will happen to it in the future. Brand equity is a key marketing asset for companies because it can create a unique and needed tool for investigating the relationship between the firm and its stakeholders (Christodoulides & de Chernatony 2010, 44). Table 1 presents the mostly cited studies concerning brand equity.

Table 1 Mostly cited "Brand equity" studies

Author	Definition	Dimensions of brand equity
Blackston 1992	"A brand is the consumer's idea of a product."	Brand relationship (trust, customer satisfaction with the brand)
Aaker 1996	"A set of assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers."	Brand loyalty, perceived quality, brand awareness and brand associations
Berry 2000	Using Keller's definition from 1993.	Brand awareness, brand meaning
Burmann et al. 2000	"Present and future valorization derived from internal and external brand-induced performance."	Brand benefit clarity, perceived brand quality, brand benefit uniqueness, brand sympathy and trust
Keller 2008 (1993)	"Differential effect that brand knowledge has on consumer response to the marketing of that brand."	Brand awareness and brand image formed by brand knowledge

In 1992 Blackston started to build a definition for brand equity. He acknowledged that "a brand is the consumer's idea of a product" and a consumer is an active participant in creating brand equity. He emphasized the importance of consumers and brand relationships in building brand equity. The dimensions of Blackston's theory (1992, 80) are trust and customer satisfaction with the brand and they are building and strengthening brand relationships. In 1996, Aaker defined brand equity as "a set of assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers." He grouped these assets into four dimensions: brand loyalty, perceived quality, brand awareness and brand associations.

In his research, Berry (2000, 130) divided brand equity assets into two dimensions: brand awareness and brand meaning. He did not form his own definition of brand equity, but he used Keller's definition from 1993. Burmann, Jost-Benz and Riley (2000, 391) had slightly

different approach to brand equity; "present and future valorization derived from internal and external brand-induced performance." They focused on the value created by brand-related performance. They used five dimensions of brand equity assets: brand benefit clarity, perceived brand quality, brand benefit uniqueness, brand sympathy and brand trust. The first three dimensions concern functional brand equity attributes and the last two are focusing more on emotional attributes.

Probably the most cited brand equity study of all time is Keller's research in 1993. The year in table 1, however, is 2008, but the results of this study have remained constant through the years. His definition of brand equity is "differential effect that brand knowledge has on consumer response to the marketing of that brand". He divided brand equity assets into two dimensions: brand awareness and brand image, which then are forming the comprehensive brand knowledge of a customer. Customer's brand knowledge is the key to creating brand equity, because it creates the differential effect that drives brand equity (Keller 2008, 51). This approach is also the basis of this thesis.

Brand equity includes not only the value of the brand, but also implicitly the value of proprietary technologies, patents, trademarks, and other intangibles such as manufacturing know-how (Tuominen 1999, 72). According to Bagozzi, Rosa, Celly and Coronel (1998, 320), brand equity creates value to firms and customers in different manners. Brand equity creates value to customers by enhancing efficient information processing, building confidence in decision making, reinforcing buying, and contributing to self-esteem. Brand equity creates value to firms by increasing marketing efficiency and effectiveness, building brand loyalty, improving profit margins, gaining leverage over retailers, and achieving distinctiveness over the competition (Tuominen 1999, 74).

There are two different approaches to the concept of brand equity represented in figure 2: a firm-based brand equity (FBBE) and customer-based brand equity (CBBE). The distinction between these perspectives is depending on the actors, measures and the final aim of using brand equity (Atilgan, Akinci, Aksoy & Kaynak 2009, 116). FBBE measures the total value of a brand as a separate asset (Christodoulides & de Chernatony 2010, 45). Atilgan et al. (2009, 115) point out that FBBE uses product-market outcomes, such as price premiums, market share and relative price, as well as financial-market outcomes, such as brand's purchase price and discounted cash flow of licenses and royalties. CBBE perspective focuses

on customer's mind set of a brand. It is considered as a driver of increased market share and profitability of the brand and it is based on market's perceptions, that is, consumers' associations and beliefs (Christodoulides & de Chernatony 2010, 44).

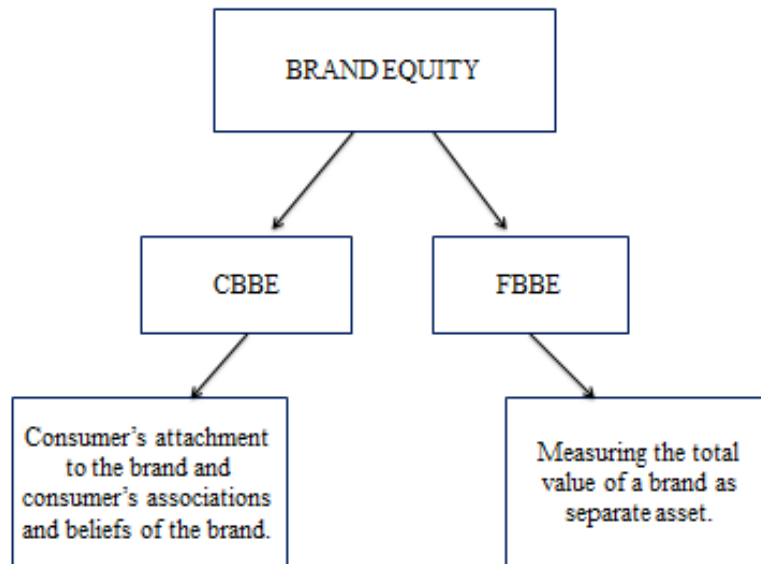


Figure 2 Perspectives of brand equity (after Christodoulides & de Chernatony 2010)

This thesis is focusing on customer perspective of brand equity. According to Grönroos (2007, 290), customer-based brand equity is used to describe the value that brands create to customers. Conceptualizing brand equity from the consumer's perspective is useful because it suggests both specific guidelines for marketing strategies and tactics and areas where research can be useful in assisting managerial decision making. CBBE also enables managers to consider specifically how their marketing program improves the value of their brands (Tuominen 1999, 75).

Customer-based brand equity refers to the tremendous value inherent in a well-known brand name. It actually represents a product's positioning in the minds of consumers in the marketplace. (Yasin, Noor & Mohamad 2007, 39) It also gives important insights for companies of why and how the brand is creating more value to consumers than the competitor's brand and why their brand is chosen over the competitor's brand.

2.2 Sources of brand equity

2.2.1 Brand awareness

Many different ways of how to measure and understand the creation of customer value are represented in the marketing literature. As embodied in table 1, many various sources of brand equity are recognized in marketing releases but in this thesis the central sources are brand awareness and brand image with regards to Keller's theory (2008, 53). Moreover, brand awareness and brand image are forming customer's brand knowledge (Pappu, Quester & Cooksey 2005, 146). This knowledge represents brand equity in the customer's mind (Huang & Sarigöllü 2012, 93). Keller (2008, 53) points out that customer-based brand equity occurs only when customers have a high level of awareness with the brand and hold some strong, unique and favorable brand associations in memory. Favorable consumer response can lead to enhanced revenues, lower costs and greater profits for the firm (Tuominen 1999, 75).

Before consumers can have any perceptions of a brand, they need to have some knowledge of that brand. American Marketing Association (2013) is defining brand awareness as "a marketing concept that enables marketers to quantify levels and trends in consumer knowledge and awareness of a brand's existence." Brand awareness can be related to the strength of the brand node in memory, which can be measured as the consumers' ability to identify and remember the brand under different conditions (Keller 2008, 51). It is an important step in building brand equity. According to Aaker (1996), brand awareness must precede brand associations and perceptions. It also precedes brand equity building (Huang & Sarigöllü 2012, 92). The role of brand awareness in brand equity depends on the level of awareness that is achieved. The higher the brand awareness the more dominant is the brand, which will increase the probability of the brand being purchased more often (Yasin, Noor & Mohamad 2007, 40).

Brand awareness refers to whether consumers can recognize or recall a brand (Keller 2008, 54). Keller defines brand recognition as "consumers' ability to confirm prior exposure to the brand when given the brand as a cue" and brand recall as "consumers' ability to retrieve the brand from memory when given the product category, the needs fulfilled by the category, or a purchase or usage situation as a cue" (2008, 54). Keller (2008, 61) also makes a distinction

between depth and breadth of brand awareness. The depth of brand awareness measures how likely it is for a brand element to come to mind and the ease with which it does so. A brand that is easily recalled has a deeper level of brand awareness than a brand that only comes to customers' mind when seeing it. The breadth of brand awareness measures the range of purchase and usage situations in which the brand element comes to mind. The breadth depends on the organization of brand and product knowledge in memory (Keller 2008, 61).

According to Aaker and Joachimsthaler (2000, 17), brand awareness is often an undervalued asset in companies. However, awareness has been shown to affect customers' perceptions of a brand and even their tastes. It is important for companies to investigate their placement in customers' consideration set and how wide their brand awareness is among consumers. People like to purchase familiar brands and according to Aaker and Joachimsthaler (2000, 17), they are also prepared to ascribe different good attitudes to products or services that are familiar to them. Keller (1993, 3) has recognized three major reasons why brand awareness is playing an important role in customer decision making: (1) it increases the likelihood that the brand will be a member of consumer's consideration set, (2) it can affect decisions about a brand in consideration set, (3) it influences the formation and strength of brand associations in the brand image.

2.2.2 Brand image

In the business-to-consumer (B2C) context there are two opposite perspectives that evaluate brands and it is important to make a clear distinction between these two perspectives (Figure 3). Company perspective investigates brand's attributes through brand identity, which is the description of the image of the brand that the marketer wants to create (Grönroos 2007, 287). According to Kapferer (2012, 151) brand image is on the receiver's side and brand identity is on the sender's side. The goal of brand identity is to specify brand's meaning, aim and self-image and communicate that same image to consumers. Brand identity can be investigated using Kapferer's model (2012, 150), which approaches brand identity with several elements: (1) vision and aim, (2) the signs which make the brand recognizable, (3), core values, (4) field of competence.

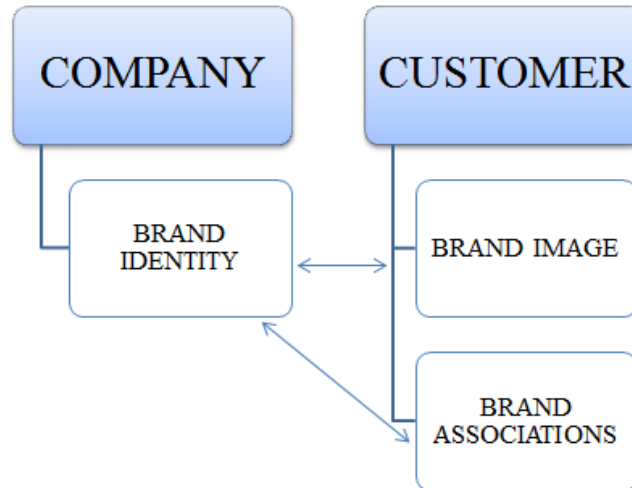


Figure 3 Two perspectives to evaluate brands

Grönroos (2007, 287) defines brand image as the image of the good, or service, which is formed in the customer's mind. Keller (2008, 56) defines brand image as stakeholder's perceptions of and preferences for a brand that can be measured by the various types of brand associations held in memory. Some studies (for example, Keller 2008) do not make a clear distinction between the terms brand image and brand associations. Both terms are used to describe customers' opinions and perceptions of a brand. In this thesis the basic assumption is that brand associations create customers' brand image and both terms are sources of brand equity. The underlying value of a brand name often is the set of associations, that is, the meaning of the brand (Aaker & Joachimsthaler 2000, 17). Brand associations can be anything that connects customers to the brand.

However, branding and the formation of brand image are both continuing processes and there is no need to keep brands and brand image apart. According to Grönroos (2007, 287) identity precedes image in the brand management literature. This is the theoretical timeline where a company builds a brand and then communicates it to consumers, who form their opinions of the brand, creating brand image. However, brand building is an ongoing process and in reality, a brand is not first built and then perceived by the customers (Grönroos 2007, 287). Consumers receive brand messages from companies on a continuous basis and react to them, more or less, unconsciously. Thus, brand image formation is vulnerable and companies need to be proactive rather than reactive. Companies' brand identities and customers' brand images are not always the same. There might be gaps between how companies see themselves and

how they are seen by their customers. This supports Grönroos' idea (2007, 287) of ongoing brand building process and continuous formation of brand image.

Companies are always seeking a competitive advantage and something that is differentiating them from their competitors in the minds of consumers. It can be said that everything that is associated with the brand in customers' minds makes the brand distinctive from competitors' brands and differentiates the firm's offering from others. Brand image can help customers to identify a product, give the product a personality and influence customers' perceptions (Popoli 2011, 421). It is one of the most important immaterial resources in business and needs to be kept in mind when searching for elements that distinguish company's own products from the competitors' offerings (Popoli 2011, 421).

2.3 The concept of customer-based brand equity

2.3.1 Customer-based brand equity pyramid

The main customer-based brand equity theory used in this thesis is Keller's CBBE pyramid (2008, 60) and its brand building blocks as a means to investigate customers' preferences of a brand. Keller (2008, 59–60) represents four important steps of brand equity building, each of which is contingent on successfully achieving the objectives of the previous one: (1) Ensure identification and an association of the brand in customers' minds (brand awareness), (2) Establish the totality of brand meaning in the minds of customers by strategically linking a host of tangible and intangible brand associations with certain properties (brand meaning), (3) Elicit the proper customer responses to this created brand identification and brand meaning (brand responses), (4) Convert brand responses to create an intense, active loyalty relationship between customers and the brand (brand relationships). These four steps represent the proactive behavior that companies need to engage. Brand building stems from measured consumer behavior to fulfill their concealed needs.

Keller (2008, 60–61) establishes six significant "brand building blocks" with customers. Building blocks are assembled in a pyramid, where significant brand equity only results if the brand reaches the top of the pyramid. There are also four brand objectives that appear at each

stage of the pyramid. Figure 4 represents the brand building blocks that companies need to pursue in order to establish customer-based brand equity.

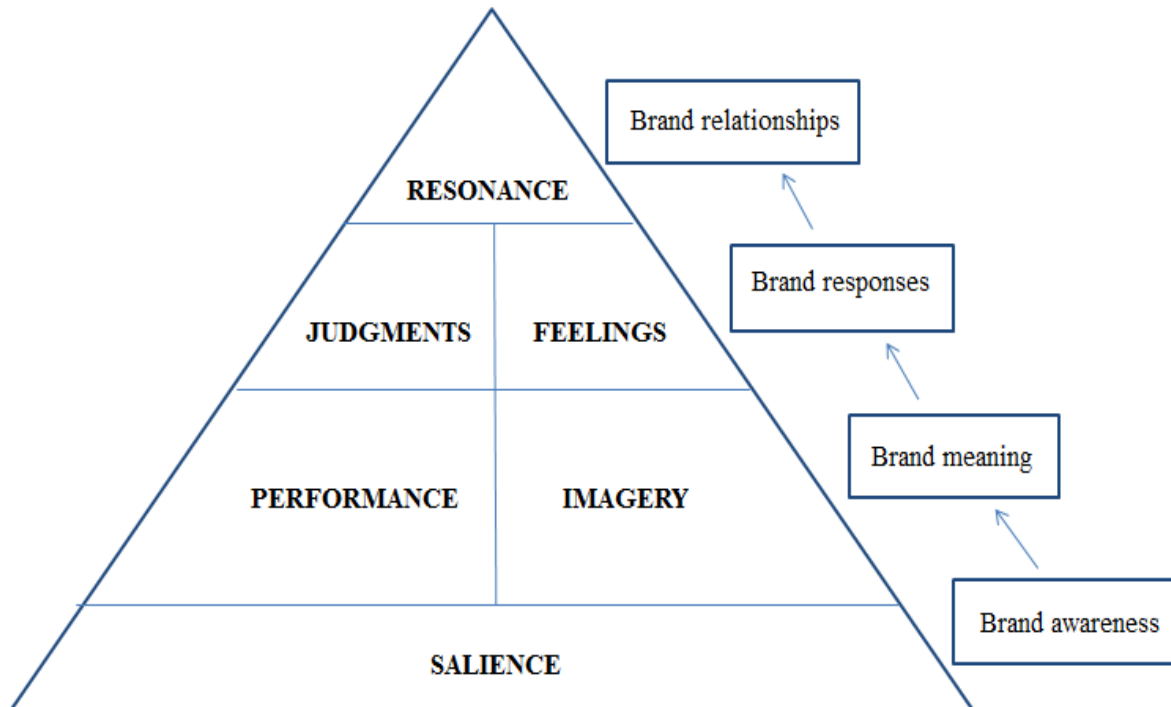


Figure 4 Customer-based brand equity pyramid (Keller 2008, 60)

The order of the brand building blocks is important, because companies cannot establish brand meaning without consumers having brand awareness first. Brand responses are not possible if consumers do not have brand meaning and brand relationships cannot be established without brand responses.

2.3.2 Brand building blocks

Salience (brand awareness)

Brand salience measures customers' awareness of the brand, for example, how often the brand is evoked under different situations and circumstances (Keller 2008, 60). Salience for customers means category identification and needs satisfied whereas companies need to create deep, broad brand awareness among its customers to achieve that salience. By building brand

awareness the firm helps customers understand the product or service category in which the brand competes and ensures that customers know which of their needs the brand is designed to satisfy (Pappu, Quester & Cooksey 2005, 145).

Keller distinguishes the depth of brand awareness and the breadth of brand awareness. The depth measures how likely it is for a brand element to come to mind and how easily it can do so. The breadth measures the range of purchase and usage situations in which the brand element comes to mind. It depends largely on the extent of brand and product knowledge in memory. According to Keller (2008, 64), brand salience is an important first step in building brand equity but it is not sufficient. Often other considerations, such as brand meaning or brand responses, come into play.

Brand performance and imagery (brand meaning)

After the first step of establishing brand awareness in the minds of customers, it is important for companies to create significant brand meaning through establishing brand image. According to Keller (2008, 64), brand meaning is made up of two major categories of brand associations related to imagery and performance. At this stage, companies must communicate their points of parities and differences to customers. Brand associations at this stage can be formed directly, from customer's own experiences, or indirectly, through the marketing messages (Pappu, Quester & Cooksey 2005, 145). In the center of brand equity is the product itself, because it is the primary element that consumers experience with the brand (Yasin, Noor & Mohamad 2007, 39). They are comparing competitors' products and receiving marketing messages concerning those products. Brand performance, one subcategory of the brand equity pyramid, describes how well the product or service meets customers' functional needs (Keller 2008, 64). Keller divides attributes and benefits under brand performance into five categories: (1) primary ingredients and supplementary features, (2) product reliability, durability and serviceability, (3) service effectiveness, efficiency and empathy, (4) style and design and (5) price. This is an important building block for brand equity, because if consumers do not have any emotional bonds to the brand yet, they can still evaluate its functional performance.

The other main type of brand meaning and association is brand imagery. Keller (2008, 65) defines brand imagery as the extrinsic properties of the product or service, including the ways

in which the brand attempts to meet customers' psychological or social needs. Brand imagery refers to more intangible aspects of a brand than brand performance does. Imagery can be seen as the abstract way that people think about a brand. Keller sorts out four main intangibles that can be linked to the brand: (1) user profiles, (2) purchase and usage situations, (3) personality and values and (4) history, heritage and experiences (2008, 65). The type of ideal or typical brand user can affect consumers' perceptions of a brand, in a positive or negative way. For example, some products or brands appear to be just for women and that could make men more reluctant to use those products. The second set of associations refers to how and when customers should use the brand. If there have been some associations formed in this category, it can be hard for the firm to change these associations. An example: a restaurant well-known for their takeout-service, can find it hard to make customers stay and eat in the restaurant. In the third category, people can link human-like values to brands and act like brands have personalities (Hoeffler & Keller 2002, 79). Finally, brand associations may be created because some events in the brand's history. These events can be personal experiences for the customer, such as past behaviors and previous contacts with the firm, or more public and shared by many consumers.

Consumers are forming the meaning of the brand through performance and/or imagery aspects linked to the brand. Brand associations can be characterized according to three important dimensions – strength, favorability and uniqueness – that provide the key to building brand equity (Keller 2008, 67). Keller emphasizes that it is important for the brand to have strong, favorable and unique brand associations *in that specific order*. Brand associations have to be strong before they can be favorable or unique, because otherwise consumers may not actually recall or link them to the brand. Not all strong associations are favorable, and not all favorable associations are unique (Keller 2008, 67). Keller highlights the importance of creating strong, favorable and unique brand associations for brand equity building, but at the same time admits that the creation of these brand associations is a real challenge for marketers. The brand meaning stage in building brand equity helps to produce brand responses, that is, what customers really think or feel about the brand.

Brand judgments and feelings (brand responses)

In Keller's theory (2008, 67), the brand responses are distinguished into brand judgments, as arising from the "head", and brand feelings, as arising from the "heart". At this stage,

companies are seeking to achieve positive and accessible reactions from customers. Brand judgments are customers' personal opinions about the brand, which they form by putting together all the different brand performance and imagery associations. Customers can make judgments about quality, credibility, consideration and superiority (Keller 2008, 68). Quality judgments can refer to brand's functional attributes. Perceived quality indicates consumers' willingness to buy products because it provides value to consumers and differentiates products from competing products (Pappu, Quester & Cooksey 2005, 145). Credibility measures that how consumers see the organization behind the brand; how good the organization is, is it concerned about its customers and believable in its business area. Consideration, in brand judgments, means how likely consumers are willing to buy the brand and let it in their consideration sets. It depends on how personally relevant customers find the brand. Brand superiority means the extent to which customers view the brand as unique and better than competitors' brands. It is a critical element in building strong brand relationships.

The other aspect of the brand response step is brand feelings, which are defined by Keller (2008, 68) as follows: "brand feelings are customers' emotional responses and reactions to the brand." They also relate to the social currency evoked by the brand. At this stage, it is important for companies to remember that feelings evoked by the brand can be both positive and negative. Keller recognizes six types of brand building feelings: (1) warmth, (2) fun, (3) excitement, (4) security, (5) social approval and (6) self-respect. None of these feelings listed are negative, however, people prefer brands that make them feel good, not bad. All types of consumer responses are possible, but what matters for companies is how positive they are. According to Keller (2008, 71), brand judgments and feelings can have a favorable effect on customer behavior only if consumers think of positive responses in their encounter with the brand.

Resonance (brand relationships)

The final step of customer-based brand equity pyramid is brand resonance, which focuses on the ultimate relationship and level of identification that the customer has with the brand. According to Keller (2008, 72), brand resonance describes the nature of this customer-brand relationship and the extent to which customers feel that they are 'in sync' with the brand. Keller divides brand resonance into two dimensions, intensity and activity, and these

dimensions still into four categories: (1) behavioral loyalty, (2) attitudinal attachment, (3) sense of community and (4) active engagement.

Behavioral loyalty refers to how often customers purchase a brand and how much they buy. However, this category is not sufficient for resonance to occur. Resonance requires personal attachment because customer's strong attachment to a brand will outpace competitors' brands in purchasing situations. Brands that are in the center of a brand community may have stronger resonance with its customers. (Keller 2008, 72) This might take a broader meaning to the customer by conveying a sense of community. Consumers engaging consumption communities may have stronger relationships with the center brand through opposition to competing brands (Muniz 2001, 413). Consumers' active engagement to the brand may be the strongest affirmation of brand resonance. According to Keller (2008, 74), in active engagement situations consumers are willing to invest time, energy and money in the brand beyond those expended during purchase or consumption of the brand. These customers may become brand ambassadors or evangelists, who are communicating the brand messages and strengthening the brand relationships on their own. All of these categories are connected with the concept of loyalty. If consumers are loyal to the brand, it means that the brand has a substantial value to the consumers (Yasin, Noor & Mohamad 2007, 39).

According to Keller (2008, 74), CBBE model gives the true measure of the strength of a brand, that is, how customers really think, feel and act in regards to that brand. The model gives companies valuable insights of their customers and their hidden needs and wants. Consumers' preferences, intention to purchase and brand choices indicate consumers' favorable responses to the marketing elements of the brand in comparison with other brands (Yasin, Noor & Mohamad 2007, 39). It also helps companies act in a way that allows them to achieve the benefits of brand equity. Companies can engage in different marketing activities, but the success of those activities depends on the customers' response. The response, in turn, depends on the knowledge that has been created in customers' minds of those brands (Keller 2008, 74). Everything affects everything and there are no shortcuts. Companies need to be proactive in their marketing activities and listen to their customers' preferences. As seen in Keller's CBBE pyramid, brand must be built step by step after carefully established marketing strategies. These steps are not equally difficult, but they are equally important in brand equity building process. A noticeable evidence of Keller's CBBE model is that strong brands are

appealing to both rational and emotional concerns, that is, to both head and heart. Strong brands are satisfying their customers' functional and emotional needs.

2.4 Corporate social responsibility influencing customer perceptions of a brand

Taking advantage of responsibility and CSR activities are the focus of many companies today. However, the impact of CSR into brand image and equity has not been the focus in the recent brand literature. Many researchers seem to agree that CSR activities have the potential to create stronger and better relationships between firms and stakeholders (Peloza & Shang 2011, 117). It is necessary to look deeper into the positive or negative impact on the brand image produced as a result of companies CSR activities (Popoli 2011, 420). As Deigendesch (2009) argues, "brands and corporate social responsibility are two sides of the same coin of entrepreneurial success." Corporate social responsibility cannot be seen as opposing the principles of competition and profitability (Deigendesch 2009). That is, companies need to be aware of their responsibilities in the economic arena when fulfilling the expectations of their customers, stakeholders and employees. At the same time, they need to do their part to help society and build a sustainable future.

Strategically integrated CSR has a strong impact on brand image and brand equity. However, brand is a result of all that the firm does, in terms of product offering as well as operating practices and behavior assumed in the competitive environment, especially for value generated for the company and for society (Popoli 2011, 425). Favorable or non-favorable perceptions about a brand's ethical activities impact consumers' evaluation of that brand and might steer their purchase behavior (Brunk & Blümelhuber 2011, 134). Carefully selected CSR initiatives might enhance brand associations and overall brand equity with appropriate marketing (Becker-Olsen & Hill 2006, 59).

Companies must be aware of consumers' perceptions of their CSR activities in order to benefit those perceptions when building a brand and brand equity. Two basic questions involving transferring responses and associations from CSR activities are; (1) what do consumers know about company's responsibility activities?, and (2) does any of this knowledge affect what they think about the brand? (Hoeffler & Keller 2002, 82). Hoeffler and

Keller (2002, 82) suggest three important factors for predicting the extent of leverage that might result from linking the brand to corporate social responsibility actions. These factors help the firm to understand consumers' thoughts, beliefs, feelings, images, experiences and perceptions about corporate social responsibility, which are categorized as consumers' comprehensive *CSR knowledge*, and possibly link these to the brand. The factors are:

1. *CSR awareness*; the basic assumption is that consumers must have some familiarity and knowledge of CSR activities; otherwise there is nothing that can be transferred to the brand.
2. *CSR relevance and meaningfulness*; the extent to which consumers' CSR knowledge is deemed relevant and meaningful to the brand.
3. *CSR transferability*; the extent to which associations will become strong, favorable and unique creating judgments and feelings will be considered positive in the context of the brand.

It is worth noting that each of these factors is built on the successful completion of the preceding factor (Hoeffler & Keller 2002, 82). First it is important to examine the strength and favorableness of the consumers' current associations towards the brand itself and the CSR activities in general. Next the company should investigate consumers' opinions about CSR-brand fit, i.e. how well they think the responsibility actions are suited for the brand. Lastly it should be examined whether the associations linked to responsibility actions can be transferred to the brand.

Company's marketing messages inform consumers of their brand. These messages are intended to grow consumers' knowledge of the brand. As seen in Keller's CBBE model (2008, 60), brand knowledge is the base of strong brands and strong brand equity. Customers' brand perceptions and opinions are formed through company's communication and actions. Messages about corporate ethical and socially responsible initiatives are likely to evoke strong and often positive reactions among stakeholders (Morsing & Schultz 2006, 323). However, corporate social responsibility is a risky subject to communicate to customers because there is always a possibility that customers do not understand the linkage between firms' intended responsibility and their true actions. According to Popoli (2011, 426) the CSR practices of a company could be judged as greenwashing operations or as expressions of a firm's authentic and true assumption of social responsibility. Therefore, it is necessary that there is a perfect

alignment between a firm's communication of their intention in CSR matters and their real behavior. As a result, it is important for companies to be transparent and communicate their activities truthfully to their customers. Corporate social responsibility today requires firm and ongoing stakeholder awareness and calls for more sophisticated CSR communication strategies (Morsing & Schultz 2009, 323).

CSR activities can have both positive and negative impacts on consumers. Companies need to poll their customers to discover those activities that are gaining customer acceptance. Nan & Heo (2007, 66) suggest that exposure to a highly sophisticated CSR involving marketing messages, where a brand and CSR target fit, will lead to a more favorable attitude towards the brand and the company behind it. However, they argue that well-targeted marketing messages might change consumers' attitudes more towards the company, rather than the brand (2007, 70). Sometimes present CSR activities cannot change a company's past activities. In Brunk and Blümelhuber's (2011, 139) research, one respondent had an unethical perception of Siemens because of the company's linkage to Nazis in the Second World War. Consumers' negative preoccupations are resistant to change and therefore they are challenging to overcome.

Sen and Bhattacharya (2001, 238) argue that consumers' company evaluations are more sensitive to negative CSR information than positive, even when negativity is borne of omission rather than commission. In other words, all consumers react negatively to negative CSR information, whereas only consumers who support the CSR issues react positively to positive CSR information. According to their study, Sen and Bhattacharya suggest that companies are benefitting more from not being irresponsible than being responsible. As Poolthong & Mandhachitara (2009, 409) argue, companies could benefit more from their CSR activities if they understood the impact these activities can have on consumer behavior and perceptions of the brand. CSR activities have numerous positive effects on consumers, but companies need to be aware of their customer's perceptions and opinions of how responsibility suits a brand, CSR information accuracy and the actual actions towards responsibility.

2.5 Synthesis of the theoretical framework

The focus of CSR research has shifted from “why” to “what” to “how”, i.e., to adopt CSR practices that are most compatible to business strategy to bring about maximum outcomes for both the firm and the society (Lai, Chiu, Yang & Pai 2010, 458). Strategically integrated CSR activities may have a strong impact on brand image and brand equity, but only if companies realize the potential of their responsible actions and know how to utilize it (Hoeffler & Keller 2002, 81). The synthesis of the theoretical framework presented in figure 5 depicts the customer-based brand equity building process and how CSR activities have their effects on brand equity.

The basic assumption behind this synthesis is that consumers’ brand knowledge, i.e. brand awareness and brand image, is the basis in building strong customer-based brand equity. Brand awareness, i.e. salience, is the basis of Keller’s (2012, 60) CBBE pyramid and also helps the formation of brand image. Usually consumers have perceptions of a brand as a whole, and these perceptions are investigated in the synthesis by using components of customer-based brand equity pyramid. These components are not equally difficult but they are equally important in building customer-based brand equity, which occurs strongest when customers have resonance with the brand, i.e. on the top of the pyramid.

If companies desire to link responsibility to their brand, their customers need to know that they are responsible. When investigating consumers’ perceptions of CSR activities and associations linked to these activities, first it is essential to ensure that company’s customers are in fact aware of these CSR activities. Customer awareness is essential for the brand and also for the company’s responsibility. Otherwise it would be difficult for a brand to benefit from its responsible activities. If awareness is low, the effect of CSR on brand equity is only theoretical, not of practical relevance (Pomering & Dolnicar 2009, 287).

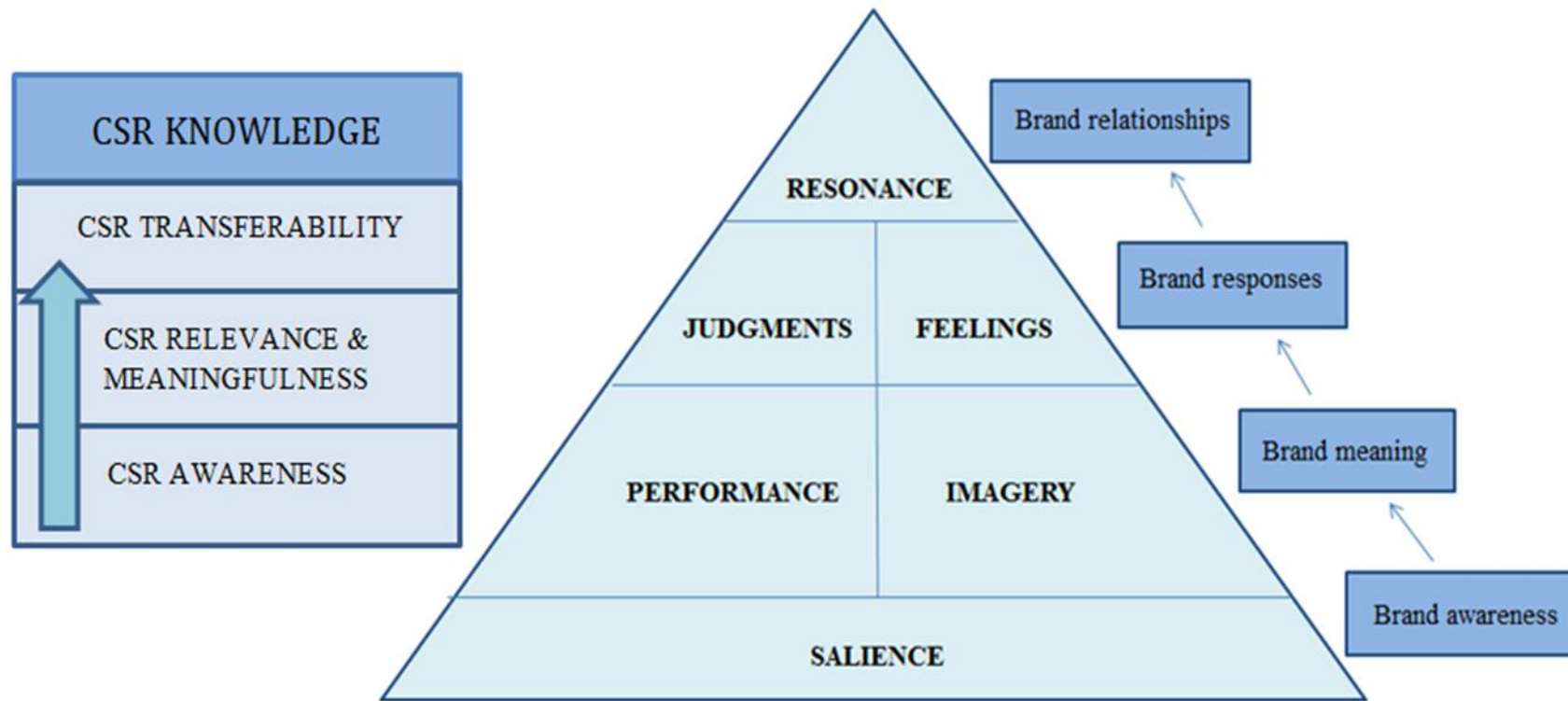


Figure 5 Synthesis of the theoretical framework

When brand and CSR awareness is created, consumers evaluate whether responsible actions are relevant and meaningful to the brand. If the CSR target bears some relation to the line of business for the firm or the nature of its products, the firm may seem more well-rounded and thus more expert (Hoeffler & Keller 2002, 80). If the company's corporate social responsibility is evaluated as relevant and meaningful by consumers, the next step is to transfer consumers' knowledge and associations of CSR target to the brand. Transferability stage indicates whether consumers' CSR awareness could be linked to the brand and thus CSR's ability to influence customer-based brand equity.

The success of this synthesis and CSR activities' matching with brand equity relies on consumers' overall knowledge of the brand as a whole and the brand's responsibility activities. The knowledge has to be equal in both and consumers have to be able to connect them together in a positive manner.

3 CONDUCTING THE RESEARCH

3.1 Research premises

The empirical part has been conducted as a qualitative case study. The thesis focuses on one case, Haglöfs' corporate social responsibility as experienced by the customers of the case company. Qualitative research in business context was the most suitable approach because it produces new knowledge about how things work in real-life business situations (Eriksson & Kovalainen 2008, 3). In qualitative research, things are studied in their natural settings, attempting to interpret a phenomena in terms of the meanings people bring (Denzin & Lincoln 1998, 3). The qualitative method was adopted in an attempt to make sense of and interpret how the case company's customers experience the firm's CSR activities.

Qualitative research is characterized by simultaneous data collection, analysis and interpretation (Gummesson 2005, 312), and relies on numerous methods of data generation and analysis. Qualitative approaches are concerned with interpretation and understanding, whereas many quantitative approaches deal with explanation, testing of hypothesis and statistical analysis (Eriksson & Kovalainen 2008, 5). In comparison to quantitative research, qualitative methodology is primarily directed to understanding the complex and the elusive perspectives more than to establish cause and effect relationships between single variables (Gummesson 2005, 312). It should be noted that the qualitative approach is a suitable method due to the assumption that the world is not just the sum of its parts but there are also synergy effects.

This thesis is conducted by using a descriptive case study. Case study is defined by Myers (2009, 76) as follows: "Case study in business uses empirical evidence from one or more organizations where an attempt is made to study the subject matter in context. Multiple sources of evidence are used, although most of the evidence comes from interviews and documents." This thesis focuses on one company and its customers. Yin (2003, 1) distinguishes between three types of case study research: exploratory, descriptive and explanatory. The most used type is descriptive case study because it is an attempt to describe

the subject matter in context. The idea of a descriptive study is to produce a rich understanding of the phenomenon (Gummesson 2005, 322).

The case study approach was chosen to be the research strategy in this thesis because its main goal is to investigate one or several cases and produce detailed and intensive information about the case. The research questions and the theoretical framework are always related to the understanding and solving the case (Eriksson & Kovalainen 2008, 115). Qualitative case study takes context and cases seriously for understanding the issue under study (Barbour 2007, 13). The case study method is considered as a type of research, which provides something new, e.g. solutions, results or improvements. The results arising from this thesis are new information for the case company, because customer research has not been done considering responsibility issues. The case study approach emphasizes thick description and interpretation of meaning to understanding the case (Eriksson & Kovalainen 2008, 117; Gummesson 2007, 229). It follows the hermeneutic paradigm (Gummesson 2000, 178), i.e. the phenomenon is understood through the meanings people give to them.

Case study strategy is preferred when the researcher is seeking answers for “how” and “why” questions and has little control over events (Yin 2003, 1). Case study approach has been popular in business context because it presents complex and hard-to-grasp business issues in an accessible and easy format (Eriksson & Kovalainen 2008, 116), but it has been criticized, however, that it lacks statistical reliability, validity and that hypotheses can be generated but cannot be tested (Gummesson 2000, 88). Traditional interpretative case studies are not aiming to produce statistical generalizations. According to Gummesson (2007, 230), the researcher needs to be constructively critical of the data offered by different sources. The case study method was chosen in this thesis because it investigates a contemporary phenomenon within its real-life context (Yin 2003, 13). The responsibility and sustainability issues can be categorized as contemporary phenomenon and this thesis focuses on one case, Haglöfs, through the meanings people give. The intensive case study aims to learn how a specific and unique case works (Eriksson & Kovalainen 2008, 120).

This thesis follows the idea of systematic combining, in which the main characteristic is a continuous movement between an empirical world and a model world (Dubois & Gadde 2002 554). It is a process where theoretical framework, empirical fieldwork and case analysis evolve simultaneously. In this thesis, theory has formed the gathering of empirical

information but also the empirical information has shaped the research questions. The empirical data has also developed the synthesis of the theoretical framework. Dubois and Gadde (2002, 556) have described systematic combining as a nonlinear, path-dependent process of combining efforts with the objective of matching theory and reality. Matching means going back and forth between framework, data sources and analysis (2002, 556).

3.2 Research process

The research process has formed as Gummesson's (2005, 316–317) "research edifice" shows. It structures analytical/interpretative and objective/subjective phases. These three phases, which also depicts how this thesis has proceeded, are represented in figure 6.

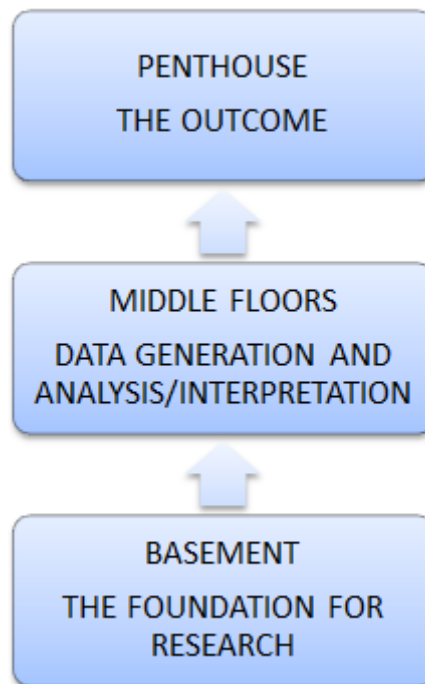


Figure 6 Research edifice (Gummesson 2005, 316–317)

Research begins with a foundation of the researcher's paradigm and pre-understanding from "the basement". This phase is a mixture of subjective, intersubjective and objective choices and assumptions that guide our interpretations of the research subject and research questions. Second phase (the middle floors) concerns to data generation and analysis/interpretation. It entails systematic approach to empirical data, analysis of that data, conceptualizations and

theoretical links and conclusions. The final phase (the penthouse) includes presentation of results and their meanings, theoretical and managerial implications and recommendations for practice and future research. (Gummesson 2005, 316–317)

The research process (see figure 7) began in September 2013 with the initial interest in responsible brands. The topic as a whole was studied and examined first without making any decisions about the exact research subject. After deciding the research area in October 2013, the researcher started searching a case company by considering responsible brands and companies. The goal was to find an already responsible brand and study its influences to consumers. The researcher approached the Head of Sales of Haglöfs by email and explained the goal of the master's thesis and the company's role in it. It was also emphasized that being a case company in this thesis would not take too much of the company's time. According to Myers (2009, 81), gaining access is often difficult in case study research because companies might be skeptical of the value of the research and worry about it taking too much of their time.

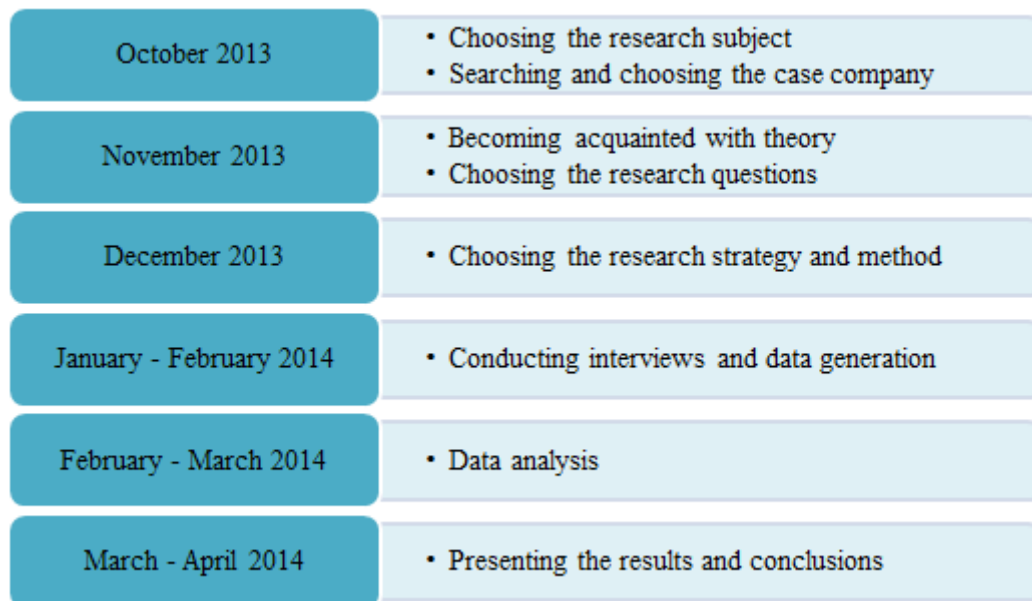


Figure 7 The research process

After the access to the case company was granted and the research subject was chosen in October 2013, the researcher started to study theory and form the research questions. The theoretical part and framework were forming in November 2013. With theory and the case in mind the research strategy and method were chosen in December 2013. In early 2014, the data

was gathered through focus group interviews with existing theoretical framework in mind. Complementary data sources, such as key informant interviews and documents, were used in the data generation process as well. After the desired number of focus group interviews was conducted, the data was analyzed and categorized. The final results and conclusions were then presented in April 2014.

3.3 Choosing the case company

The case company in this research is Haglöfs, a traditional outdoor-clothing company from Sweden. It was first founded in 1914 by Wiktor Haglöf in Torsång, Sweden. Today, it is the largest supplier of outdoor equipment in the Nordic region with a range of 500 products (Haglöfs 2013). Product range of the case company consists of clothing, footwear and hardware, that is, backpacks, bags and sleeping bags. This company was chosen to be the focus of this thesis because their brand is extremely responsible and sustainability issues are integrated to the whole manufacturing process. However, the case company has not investigated their customers' opinions of these responsibility activities (H.S. 21.1.2014) and it opened a research opportunity which was taken.

Haglöfs has set many targets concerning responsible and sustainable actions for the future (see appendix 1). These targets, and mainly the whole responsibility attitude, are argued as follows:

“The company who has a reliable track record in sustainable actions will be the winner when end consumers start to demand products produced in a sustainable way.” (D.S.)

The case company has acknowledged that its operations have an effect on the surroundings, both positive and negative. The strategic decision to integrate sustainability and CSR into its core business was made in 2008 (Haglöfs' Sustainability in 2012). Their CSR activities are concerning the whole supply chain, economic sustainability, stakeholders, the environment, ethics and recycling, the down used in products, the climate, logistics and employees. It can be said that their responsible attitude has spread around the company, the manufacturing process and their stakeholders. While many brands associate themselves with specific causes, Haglöfs goes beyond engaging in CSR to position themselves wholly in the terms of CSR,

becoming known as a socially responsible brand, or the CSR brand (Du, Bhattacharya & Sen 2007, 225).

“The sustainability in Haglöfs starts from the material of the fabric and how much water is needed for washing it, and continues to the whole supply chain... We have lots of targets.” (H.S.)

Haglöfs emphasizes that their responsibility is not only in the manufacturing process, but also, what is often appreciated among end-customers and employees, in their products’ long lifecycles (H.S.).

Haglöfs is an affiliate of Fair Wear Foundation, which is an international initiative for independent control aiming to improve labor conditions for garment workers worldwide. It is a stamp of quality that shows that manufacturing processes are at a high level. The company is also a member of bluesign[®], which is an international standard aiming to reduce and replace all potentially hazardous chemicals in every part of the textile value chain. (Haglöfs’ Sustainability in 2012)

The reason why the case company has not investigated their customers’ opinions of its responsibility and sustainability activities is that it was important to make them work before communicating them to the customers. According to Head of Sales, it is better to build a proper and solid base to CSR activities before shouting it to the crowds. Otherwise, if there are differences between real behavior and marketing messages communicated to the consumers, responsibility declarations can be perceived as insincere and firms might be punished by unsatisfied customers (Popoli 2011, 426). However, the opinions of customers must be asked sometimes in order to find out whether the CSR activities will create added value or not.

3.4 Data generation

3.4.1 Focus group interviews

Interviews are one of the most important sources of qualitative case study information (Yin 2003, 89). The types of interviews can be grouped into three categories: structured, semi-

structured and unstructured (Myers 2009, 124). In structured interviews the order of questions is strictly regulated and pre-formulated questions are used. Unstructured interviews are not regulated and use few if any pre-formulated questions and interviewees are allowed to say what they want. Semi-structured interviews, such as focus group interviews often, are a combination of both as the researcher can have a frame for the interview but there is no strict adherence to it.

Focus group interview means a situation when a selected group of people are gathered together to discuss a selected topic or an issue (Eriksson & Kovalainen 2008, 173; Silverman 2004, 177). A typical focus group event consists of a group of about two to ten participants and a facilitator, who is most often the researcher, as well as the topic or issue, that will be discussed (Eriksson & Kovalainen 2008, 175). Focus group interviews are usually semi-structured when the interviewer has some guiding questions but group interaction is encouraged which means that participants can forget the interviewer and talk to each other. The researcher's role is to pose the questions, keep the discussion flowing and encourage participants to interact with other participants. According to Lederman (1990, 117), the participants should be a purposive, although not necessarily representative, sample of a specific population. The name, focus group interview, derives from that the selected group is "focused" on a given topic (Lederman 1990, 117). The method can also be called as "focus group discussion" because of its conversation like nature. Focus group interviews are suited for this thesis because, in general, it is used to study consumer attitudes, perceptions and reactions to advertisements (Eriksson & Kovalainen 2008, 174). This method is suited for consumer research because many consumer decisions are made in a social context, usually during discussions with other people (Patton 2002, 385).

This method creates profound understanding of consumer behavior in certain situations. The goal is to obtain in-depth information on ideas of the group (Malhotra & Birks 2007, 187). The main idea of using focus groups is to create data about the "why" behind certain consumer behavior or attitudes and to seek deeper information of the phenomenon that one-to-one interviews miss and surveys cannot find. The advantage of focus group interviews is that new points may arise because participants have time to consider views and issues raised by other participants (Eriksson & Kovalainen 2008, 177). Compared to personal interviews, focus groups might offer deeper perspectives and different views due to spontaneous reactions to other participants' opinions. The researcher can try to influence the quality of the interview

beforehand by choosing certain people to the focus group. According to Barbour (2007, 66–67), it is a safe choice to choose existing and familiar focus group where participants have something in common. This kind of focus group enables candor because the members of the group understand and feel comfortable with one another and feel free to articulate their opinions (Lederman 1990, 118). When there is candor, the information from the interview can be deeper and more meaningful and participants are more willing to talk in a group. The focus group offers a safe environment for participants to articulate their opinions for certain issues.

Lederman (1990, 118) has recognized five fundamental assumptions upon which the focus group method rests: (1) people are valuable sources of information, including information about themselves; (2) people can report on and about themselves and are able to articulate their thoughts, feelings and behaviors into words; (3) people need help from the researcher or the interviewer in “mining” that information; (4) dynamics of the group can be used to surface genuine information rather than creating a “group think” phenomenon; and (5) the interview of the group is superior to the interview of an individual. However, not all of these assumptions are unique to the focus group interviews only.

There are three ways to use focus group interviews in research design: as the only method, as a part of a multi-method qualitative design or as a supplementary method (Eriksson & Kovalainen 2008, 176). In this thesis, focus group interview is used as the main method in order to investigate consumers’ perceptions of case company’s responsible actions. This information is then completed with other methods, such as personal key informant interviews and observations. The guiding focus group interview outline can be seen in appendix 2.

Three focus groups were conducted in Tampere early in 2014. All of the participants were students between 22 to 27 years old from different backgrounds. The candidates were chosen on the basis of their knowledge of the case company’s brand and their ability to talk in a group. The participants of the focus group were recruited in social media by sending an inquiry on Facebook about their willingness to take part in the study. The inquiry was sent in Finnish and the interviews were conducted in Finnish and then translated to English. The language choice was made in order to allow the participants to express themselves as well as possible. In total the inquiry was sent to 13 candidates but only 9 of them were willing to take part of the study.

The participants were divided into three groups and there were 3 participants in each focus group. The number of participants in each group was decided as the ideal number varies between 2 and 10 (Eriksson & Kovalainen 2008, 180). Three people in one focus group worked well because everyone could participate in the conversation and there were no silent moments. The first interview was conducted on 30th of January 2014, the second was on 4th of February and the third was on 5th of February. All focus groups were conducted in peaceful settings and the locations of these interviews ranged from school library to office and the researcher's home. All the interviews were recorded with the participants' permission. In the empirical part, respondents will be called in random order with a letter of the alphabet (Respondent A, B, C...) to ensure the anonymity of the participants.

From these focus group interviews the researcher got almost 200 minutes of audiotaped data, which was then transcribed during the same day or the next day so the researcher still had fresh memories of the interview setting. A transcription including only all the spoken words is often enough in business studies, because qualitative interviews are most often influenced by the researcher (Eriksson & Kovalainen 2008, 85). The transcriptions were then translated to English by an external and objective party in order to increase reliability and avoid changing the content of the quotations. After the translation, the transcriptions were double-checked by reading both Finnish and English quotations and matching them together.

One of the advantages of focus groups is that the researcher can gather more data in a relatively shorter time than could be collected in an individual interview. The researcher is also allowed to observe the dynamics of the group and interactions between the participants. However, focus group interviews require an appropriate setting and carefully selected participants in order to avoid failure or poor quality. The researcher also needs to be aware of the fact that all participants may not be willing or able to report their own feelings or opinions in a group setting. (Lederman 1990, 120–127)

3.4.2 Secondary data

The information derived from the focus groups was completed with information from other sources. Complementary information came from interviews of two people from the case

company's executive group. These interviews are called key informant interviews because the interviewees, i.e. key informants, are able to provide more information and deeper insight into what is going on around them (Marshall 1996, 92). The interviewees were the Director of Sustainability and the Head of Sales and Nordic Area Manager. The interview with the Director of Sustainability was conducted on January 13th as an e-mail interview due to the distance; the interviewee was in Sweden. The interview with the Head of Sales and Nordic Area Manager, which is the same person, was conducted as a one-to-one interview on January 21st. In the empirical part, Director of Sustainability will be called "D.S." and Head of Sales "H.S.". These interviews were conducted in order to get information from the case company's perspective and understand their intended brand identity. This complementary information also provides deeper insights of how the case company has succeeded in their marketing activities.

These interviews were guided by an interview outline (appendix 3), which was to give the interview form and make sure that required questions are asked and assure that the interview goes smoothly (Koskinen, Alasuutari & Peltonen 2005, 108). The same outline was sent to D.S. and used as a guide in the interview of H.S. The same outline was used for both interviewees because the researcher wanted to see whether the answers would be similar or not. The questions are quite simple because the information is used as complementary whereas the emphasis is on consumers' perspectives.

Other sources of data were also used. All the documents used were public, such as Haglöfs' sustainability report from 2012. Websites are also seen as electronic documents (Myers 2009, 158). The case company's official website was used as one source of evidence in the analysis. According to Myers (2009, 158), the unreliability of the internet must be kept in mind when using internet references but in this case the concern is unnecessary because www.haglofs.com is the official site of the case company. These documents have supported the researcher's personal experience of the case company and strengthened the pre-understanding of it (Gummesson 2000, 67).

3.5 Data analysis

According to Rubin and Rubin (2005, 201), data analysis is the process of moving from raw interviews to evidence-based interpretations. In qualitative research the distinction between

data collection and data analysis is not clear because these two are intertwined and closely related to each other (Eriksson & Kovalainen 2008, 299–300). Often researcher's preconceptions, and possibly the case company's demands, are affecting the data generation. The interview questions may be defined in a manner to achieve certain results. Often the researcher starts creating and developing categories and organizing the empirical data before the planned data is gathered (Eriksson & Kovalainen 2008, 300).

It is also acknowledged that a researcher usually approaches a project with a certain pre-understanding (Gummesson 2000, 70). The research process is iterative where each stage provides new knowledge of the subject. This is called the hermeneutical circle (Gummesson 2000, 70). The hermeneutical circle, as an analytical process, aims at enhancing understanding and relating parts to wholes and wholes to parts (Patton 2002, 497). The circularity, where every interpretation is layered in and dependent on other interpretations, pose the problem of where to begin the data analysis. According to Patton (2002, 497–498), it is difficult for the researcher to break into the hermeneutic circle of interpretation and the process most often begins with a practical understanding, that is the starting place for interpretation. According to Myers (2009, 194), hermeneutics enables a much deeper understanding of people in business and organizational situations, as it requires looking at the organization through the eyes of various stakeholders. The customer perspective of the CSR issues provides deeper understanding of their opinions and preferences complementing the predominant understanding the researcher and the case company have.

It is important to have a general analytic strategy. According to Yin (2003, 111–115), there are three different general strategies described: relying on theoretical propositions, rival explanations, and case descriptions. The most preferred strategy is to follow the theoretical propositions. In this strategy, the theory shapes the data generation and also guides the analysis stage. The theoretical propositions help the researcher to focus on certain data and ignore other irrelevant data. This strategy was also used in this thesis. The selected theoretical framework has a large effect on the data analyzing and interpretation processes (Moisander & Valtonen 2006, 103–104). However, the theoretical framework was shaped by theoretical propositions, the gathering of the empirical data was guided by the synthesis of the theoretical framework and the results of data generation were shaping the theoretical propositions all over again. The data analysis process agrees with the idea of systematic combining (Dubois & Gadde 2002, 554).

The data analysis proceeds in two phases (Rubin & Rubin 2005, 201). Firstly, the researcher needs to prepare transcripts, which means finding, refining and elaborating concepts, themes and events. Then interviews are coded in order to retrieve what the interviewees have said in the interview situations. In the second phase the researcher is comparing concepts and themes in order to seek answers to the research questions. The analysis stage began by listening to the audiotaped focus group discussions and transcribing them into Word-files in order to explore what happened in each group. The transcribed data was then translated to English using help from an external and objective party. The theoretical framework guided the formation of the identification of themes and concepts. After the identification, concepts and themes were compared to the data gathered from interviews. The most integral information was edited into one Word-file, which was then read through many times in order to form a larger picture and link interview data to the theory. In this phase, the researcher's understanding grew gradually. The goal of the analysis stage was to construct an informed and precise report, which would reflect the interview data and answer the research questions (Rubin & Rubin 2005, 201).

The empirical part follows the theoretical framework but contains lots of quotations from the interviews. The emphasis is on the customers' perspective and opinions and it felt appropriate to let the voice of customers be heard. However, the interpretations in the final report and results are those of the researcher (Rubin & Rubin 2005, 201). Although this thesis was an assignment from the case company, the researcher did not let it affect the results.

3.6 Ensuring the quality of the study

A desirable goal of business research is that the reader can follow the actions and thoughts of the researcher. Nevertheless, it is not always possible to keep the research process transparent to the reader (Gummesson 2005, 312). The researcher needs to evaluate continuously the quality and transparency of the research process. Hence, it is important for the researcher to indicate explicitly from which perspective the interpretations are produced and to admit that the research might be somewhat subjective (Daymon & Holloway 2011, 128).

Yin (2003, 34) has established four tests relevant to proving the quality of a case study: construct validity, internal validity, external validity and reliability. However, Guba and Lincoln (1985) argued that researchers should not evaluate qualitative studies by means of reliability and validity alone, because that kind of criteria was designed for quantitative research (Gummesson 2007, 233; Eriksson & Kovalainen 2008, 294). Other criterion designed for quantitative studies is representativeness, which cannot be applied to qualitative case study research (Gummesson 2005, 322). For example, there is no general rule for the number of cases needed to draw conclusions. For ensuring the quality of a case study research, Guba and Lincoln (1985) suggest trustworthiness divided into four categories: credibility, transferability, dependability and conformability. According to Patton (2002, 552), credibility of a qualitative study can be achieved by rigorous methods, i.e. high quality data that is systematically analyzed, and the credibility of the researcher, which is dependent on training, experience and track record.

The quality of this thesis has been confirmed by following Gummesson's (2007, 234–235) checklist for quality assurance. The first step is to ensure that the readers are able to follow the research process and draw their own conclusions. For this step of the checklist, the figure 7 of the research process was created, the research questions and the purpose of the study were represented and motives for the selection of the case were explained. Secondly, the researcher also had adequate access to the case company and therefore was allowed to research their customers' opinions and behaviors. Generality and validity of the research have been assessed (Gummesson 2007, 325). The researcher was also committed to the research and passionate about the research subject, which are also in Gummesson's quality assurance checklist. However, nobody can score high on each issue because such a demand would inhibit innovation (Gummesson 2007, 235).

Multiple sources of evidence have been used in this thesis in order to build a credible and transparent description of the research topic. The entire research process is well documented using plans, notes, transcriptions, recordings and other documents. The thesis was also reviewed by both of the interviewed directors.

4 CORPORATE SOCIAL RESPONSIBILITY IN CUSTOMER-BASED BRAND EQUITY AT HAGLÖFS

4.1 Brand identity

It is important to compare the case company's intended brand identity to the existing brand image perceived by their customers. Brand identity is the description of the image of the brand that the marketer wants to create (Grönroos 2007, 287). According to Aaker (1996), brand identity is how companies aspire to be perceived (Keller 2008, 671). The ideal situation would be, when brand identity and image are quite similar, i.e. a company has succeeded to communicate its brand's core values and aims to the customers as planned.

Haglöfs' brand identity is investigated by using Kapferer's (2012, 150) model. The model approaches brand identity with several elements: (1) vision and aim, (2) the signs which make the brand recognizable, (3), core values, (4) field of competence. The researcher also added two elements: (5) target customers, and (6) responsibility and sustainability.

Vision and aim

The case company's vision, which is presented on their website, as follows: "To position Haglöfs as a leader in the field of Technical Outdoor and Sustainability on all important markets in the world." The case company is throughout responsible and embraced responsible attitude, which appeared in the interview with Head of Sales:

"We have had the same vision for years, ever since from the 1990s. The only thing which has been added over the years is sustainability, because its importance has grown in the 21st century." (H.S.)

According to H.S., Haglöfs' aim is "to offer a responsible brand modern day demand for products with a high level of functionality, good design and value for money for those who invest in an active outdoor lifestyle". He emphasizes that Haglöfs aims at going beyond sustainable development and taking care for the entire manufacturing process.

The signs which make the brand recognizable

Points-of-differences are the brand elements and signs which make the brand recognizable (Kapferer 2012, 150). Haglöfs aims at differentiating itself by technical performance, color choices and sustainable solutions (D.S.). For example, the new Intense-collection is known for its colorfulness, which is called a monochrome (see <http://intense.haglofs.com/>). H.S. also emphasizes timeless and classical design of the products, which can be seen as one differentiating point compared to competitors' products. The color chosen can help the customer recognize the brand, even when the logo is not shown. These signs must be highly differentiated from competitors' brands in order to be effective to the case company's brand (Keller 2008, 115).

Core values

Haglöfs' core values are summarized in the figure 8. These values are guiding Haglöfs' culture and atmosphere. The culture is enshrined in a number of core values (H.S.).



Figure 8 Haglöfs' core values (H.S. 21.1.2014)

D.S. adds reliability, down-to-earth approach, commitment and passion, responsibility, quality all the way, and relationships and respect. Nurturing culture and employee wellbeing is derived from these core values. Both interviewees have the same idea behind these core

values; a healthy job community where teamwork and wellbeing is cherished develops responsible, good quality products for the end-customers.

Field of competence

Haglöfs' field of competence is to produce technical outdoor clothing, footwear and equipment (D.S.). Brand elements related to three main product categories are minimalistic design, practicality, performance, innovation, durability and as a growing trend, the lightness of the products (H.S.). Also under field of competence could be added the employee culture and their wellbeing.

Target customers

Haglöfs' core customers are people, who invest time and money in an active outdoor lifestyle (D.S).

“The products are developed for Veikka Gustafsson to survive in 8000 meter tall mountains, but the same product is suitable for a regular customer also. When the product is suitable for the core customer, which are for example intensive mountain climbers or skiers, the normal consumer can be sure that the product is durable and long-lasting.” (H.S.)

The core customers are the heavy users of outdoor equipment, who need the certain functionality for surviving in the woods or in the mountains. All of the products are made for these customers, but the normal customers, i.e. “the light users”, can use the products in different situations as well.

Responsibility and sustainability

The last category of brand identity investigation is responsibility and sustainability of the brand. Haglöfs' overall sustainability policy is simple: it minimizes its negative environmental impact by developing long-lasting products, by using socially responsible manufacturers and by continuously increasing the proportion of recycled and bluesign® approved materials in its products (H.S.). Being truly responsible means integrating sustainability into everything the case company does.

“Our sustainability work is a constant work in progress, but our central premise has always been constant; we make products that last, without any unnecessary environmental impact. To us, sustainability is essential and it is our sincere hope that the customers think like us; then the difference will be so much more noticeable.”(H.S.)

The goal of CSR positioning is to humanize the brand and to encourage consumers to identify with it (Du, Bhattacharya & Sen 2007, 225). Responsibility is a large part of Haglöfs’ brand identity because the case company is truly sustainable and responsible throughout, even when it comes to company cars’ pollution policies. Every part of its business functions have been thought through with responsibility in mind. However, this has not come across well to its customers.

4.2 The building blocks in customer-based brand equity pyramid

Researching the formation of customer-based brand equity is important for the case company because it focuses on “customer mind-set” and is explained with such constructs as attitudes, awareness, associations, attachments and loyalties (Atilgan et. al. 2009, 115). CBBE is consumers’ favoritism towards the focal brand in terms of their preferences, purchase intentions and choices among brands in the same product category (Yasin, Noor & Mohamad 2007, 39). Consumers’ different associations of the brand build towards customer-based brand equity. The case company is not aware of their customers’ opinions and perceptions of company’s CSR activities. Simultaneously, it is reasonable to investigate their customers’ opinions of their brand as a whole. It will give Haglöfs deeper insights of their customers’ preferences of other brand equity aspects. Their comprehensive opinions about the brand might lead to more specific opinions of the case company’s responsibility.

4.2.1 Salience

Salience is the first component of brand building blocks in the customer-based brand equity pyramid. A brand needs to achieve certain amount of brand salience in order to move up towards customer-based brand equity. Brand salience measures customers’ brand awareness.

If the awareness is high among consumers, it means that the brand is perceived as familiar and trustworthy (Yasin, Noor & Mohamad 2007, 40). It also means customers' brand category identification and needs satisfied (Keller 2008, 61). Brand awareness also means linking the brand – the name, logo or symbol – to certain associations in memory (Hoeffler & Keller 2002, 79). Haglöfs has deep brand awareness among its customers, although there is not one subcategory that the brand is linked to.

“Sports and outdoor clothing.” (Resp. B)

“Especially shell layer clothes and Goretex, and clothes for jogging and trekking.”
(Resp. A)

“Maybe outdoor clothing and then some backpacks.” (Resp. D)

“Shoes.” (Resp. E)

“I sort of connect Haglöfs with Goretex. Shell layer clothes, though I think they have basic wind wear as well.” (Resp. H)

“I connect it with a sort of adventurous sport, like Veikka Gustafsson and mountain climbing and also alpine skiing. Sport and excitement.” (Resp. E)

“Outdoor is a good category. Sports and leisure time are perhaps not so suitable, because I think they have quite a lot of products for hiking.” (Resp. G)

“I don't first think about training clothes, like gym shirts etc.” (Resp. H)

The depth of brand awareness, i.e. how likely a brand element comes to mind and how easily it does so (Keller 2008, 64), is at a good level among Haglöfs' customers. The respondents had clear opinions about the case company's product category, which is outdoor clothing. However, different subcategories formed around different sports, such as jogging, trekking, mountain climbing, alpine skiing and hiking. The respondents felt that Haglöfs produces clothing mostly for outdoor sports, not training clothes for the gym (Resp. H & G). Respondents connected Haglöfs also with other product categories than clothes, such as backpacks, outdoor gear and shoes. Haglöfs' products were also connected with different materials used in their products, such as Goretex and shell layer clothes. This connection relates also to the depth of brand awareness, because when special material is used in a product and it is mainly connected to one brand only, that brand reaches a certain standard in customers' minds.

Salience is also related to brand associations (Romaniuk & Sharp 2004, 328), which means consumers' overall opinion of a brand. It can mean everything that a consumer links to the brand.

"Colorful jackets." (Resp. F)

"Sports." (Resp. E)

"I think of quality, and durability." (Resp. D)

"More expensive products, higher price." (Resp. E)

"A design product." (Resp. H)

"I connect it to quality." (Resp. I)

Haglöfs was seen differently by everyone in the interviews, but the main idea was basically the same. In most cases the respondents connected its brand with quality. To sum up the respondents overall opinions of the brand, Haglöfs makes good quality products for sports with higher price.

According to Romaniuk and Sharp (2004, 327), salience means the brand's ability to "stand out" from its environment or background, that is from the competitors. In order to investigate customers' brand awareness and salience, it is important to find out whether they know similar brands in the product category. The researcher will not mention any recognized competitors by name, but will acknowledge that respondents named many brands from the same product category. These brands were mainly Swedish and Finnish. It was shown that the respondents were familiar with the product category and could place Haglöfs to the right category with relevant competitors.

Brand salience is an important step in building customer-based brand equity. According to Macdonald and Sharp (2003, 3), brand awareness, i.e. salience, can add value by (1) placing the brand in the consumer's mind, (2) reassuring the customer of the organization's commitment and product quality and (3) providing leverage in the distribution channels, as intermediaries are seen as customers as well (Aaker 1992). However, Keller (2008, 64) reminds, that it is not sufficient information for companies. They need to take other considerations into account as well. These considerations, such as brand meaning and brand responses, will be represented next.

4.2.2 Brand performance and imagery

After the first step of creating brand salience in the minds of customers, the case company needs to be aware of the meanings its brand evokes among customers. According to Berry (2000, 129), brand meaning refers to the customer's dominant perceptions of the brand. Many companies can have deep brand awareness among consumers but their brand meanings vary depending on customers' own experiences with the brand and companies' external brand messages. These brand meanings can be divided into two categories of different brand associations, which are brand performance and imagery (Keller 2008, 64). This stage measures how well the case company has communicated its points of parities and differences to their customers, and also how well their customers have digested Haglöfs' marketing messages.

Brand performance

If consumers have used the brand, i.e. its products and services, they can evaluate its performance even though they did not have any emotional bonds with that brand yet. Hence, it is important for Haglöfs to recognize, how its customers are thinking of their products' performances. When a company's products are very functional, the brand's performance might form a big part of company's brand image. Keller (2008, 64) divides brand performance attributes and benefits into five categories: (1) primary ingredients and supplementary features, (2) product reliability, durability and serviceability, (3) service effectiveness, efficiency and empathy, (4) style and design and (5) price.

The first category was approached through Haglöfs' special features, because primary ingredients and supplementary features came up when respondents were asked to list Haglöfs' product categories. The goal of this kind of approach was to investigate, what the special features are according to the respondents and what makes the brand special.

"I connect it with colorful clothes. And also emphasis on materials. In my mind I connect lightness with the products, like very light products." (Resp. D)

Many respondents connected Haglöfs' brand with attributes of materials used. For example the color of clothes, water and wind proof fabrics, Goretex and lightness of products. The

primary ingredients, supplementary and special features can be considered also as external attributes of the product, which come to mind when one sees the product.

“When I think of Goretex jacket, Haglöfs comes to my mind.” (Resp. I)

“I think they make clothes that fit well. I might recognize Haglöfs by cutting of the clothes because their clothes fit well to a normal sized person.” (Resp. H)

When asked about Haglöfs’ special features, the respondents also raised the company’s recognizable logo, their a bit extreme brand and the fact that their products are design products. These might not relate to brand performance but these features make the brand recognizable and identifiable.

The second category – product reliability, durability and serviceability – was approached by the brand’s trustworthiness, which connects all of these sub-categories together. Brand trust, i.e. trustworthiness, was defined by Chaudhuri and Holbrook as follows “the willingness of the average consumer to rely on the ability of the brand to perform its stated function” (2001, 82). One respondent associated reliability of the products with the fact that the company is Swedish.

“Maybe you connect reliability with the strong emphasis of being Swedish and with Veikka Gustafsson being their endorsement.” (Resp. D)

When a solid base for brand awareness is created, it is easier for a brand to get customers to trust their product. Product reliability and durability are intertwined because when the product is reliable, it is also durable and long-lasting, and vice versa.

“It is a well-known brand, one knows it. You don’t have an unsure feeling about them not being long-lasting products.” (Resp. E)

Serviceability refers to the ease of repairing the products if needed (Keller 2008, 65). This brand attribute connects also with brand trust. However, differing from previous attributes, this relates how well consumers can trust to the company behind the brand and its willingness to replace broken products and fixing them for consumers. The interviews revealed that customers trust Haglöfs’ ability and willingness to fix broken products, because they associate expensive products with good serviceability.

“Yes, they are trustworthy. This never happened to me, but I believe that if I made a claim for something breaking, they would give me a replacement.” (Resp. D)

“And an expensive product also makes you think that you get a new one if something breaks. If it was a less expensive brand I would not even demand anything.” (Resp. D)

The good serviceability and brand trust also are referring to Keller’s (2008, 65) third dimension: service effectiveness, efficiency and empathy. This category reveals customers’ performance-related associations with service.

“When I was buying a backpack I asked if the buckles were long-lasting as in my previous, also Haglöfs, they were broken. I just asked if I would get a new one if also these would break. They told me that there are spare parts and if something breaks, it is just to send the product to the factory and they’ll send a replacement for free. I feel that they want to make good products.” (Resp. H)

The respondents felt that the case company wants to take care of their customers and make sure that they get only good quality products.

“I think they are afraid to give consumers bad quality products. They guarantee their quality.” (Resp. G)

It is recognized with this brand performance category that customers demand good and effective service, when the product is well-known for its expensiveness and good quality. As Respondent D mentioned, customers would not even demand replacements and guarantee for products that are not associated with good quality at the point of purchase. This is a positive thing for Haglöfs and fairly easy to keep at decent level, because their customers consider them as reliable if they are able to produce good quality products and provide repair service and replacements if something breaks.

Keller’s (2008, 65) fourth category is style and design, where customers evaluate the looks and outer essence of products. This category might not relate with products functional aspects but consumers often have aesthetic considerations of the products as well. Some of these, for example materials used, shape of the products and colors, were mentioned already when representing Haglöfs’ special features.

Also the fifth category, price, came up when respondents were evaluating Haglöfs’ reliability and trustworthiness. The pricing policy creates different associations in the consumers’ minds

about, for example, how expensive (or inexpensive) the brand is, how often it is discounted, how reliable it is and how good the quality of the products is.

“I think they are very expensive, but you can bargain when they are on sale.” (Resp. F)

“Those water proof materials can be perceived as durability. Very valuable products. However, the high price does not guarantee the quality, but it has to tell something. People know that technical clothing is expensive.” (Resp. A)

The overall opinion of Haglöfs’ pricing policy among the respondents was that the products are expensive but it was accepted because their products were seen as investments. The high price was seen as a guarantee for quality and for repair service and replacements of products. The high price was not condemned among the respondents.

“Worth the money, price – quality ratio ok.” (Resp. D)

Haglöfs’ performance was also evaluated by asking the respondents to compare Haglöfs’ and its competitors’ brand performances. As Berry (2000, 129) stated, many consumers have different opinions of outdoor clothing companies, even though they are all operating in the same industry and have almost the same target customers. Although, many of these firms may have high brand awareness among consumers, they still can have different brand meanings. Consumers evaluate their performances differently depending on a specific brand. First the respondents raised the fact that Haglöfs’ brand is more visible and more seen in the street view than other similar brands.

“You can see lots of their products in the streets, and I think that people are wearing Haglöfs’ jackets in city surroundings also.” (Resp. A)

“I would say that Haglöfs is one of the first that comes to mind if I am asked to list brands in an outdoor clothing category. In comparison to competitors, you can see a plenty of their products in the street view as leisure time clothing. Maybe the competitors are more seen if you are mountain climbing or skiing. Maybe Haglöfs is so well known because their clothes can be seen so often.” (Resp. D)

According to the respondents’ views, it is inferential that Haglöfs’ products are easier to recognize in urban surroundings than their competitors’ products due to their special features, i.e. colors, materials, logo and cut.

“I have lots of good experiences from using Haglöfs and I have heard only good experiences. I think that the products seem like that you can’t even break them. But it is hard to compare to other brands because you don’t buy two shell layer jackets from different brands, you just buy one.” (Resp. A)

“If your criteria are quality and looks, you will choose Haglöfs.” (Resp. D)

“One aims to buy quality. For an example, I bought my jacket in 2008, I have been using it for 6 years and it is still the same. Of course it gets dirty, but the features have not changed.” (Resp. D)

Comparison to competitors’ products sums up Keller’s (2008, 65) categories for brand performance. The fact that their brand can also often be seen in the city surroundings is strengthening consumers’ brand awareness and their ability to recognize the brand. Haglöfs’ brand’s special features are the attributes that are making the brand more visible and recognizable. When consumers see that a brand is used by many people, that brand can draw their attention. If a brand can draw consumers’ attention as well-known and good quality brand, it might strengthen its place in the market.

Brand imagery

The other main type of brand meaning with brand performance is brand imagery. According to Keller (2008, 65), brand imagery is the extrinsic properties of the product, including the ways in which the brand attempts to meet customers’ psychological or social needs. Keller (2008, 65) groups four main intangibles that can be connected to the brand: (1) user profiles, (2) purchase and usage situations, (3) personality and values and (4) history, heritage and experiences. Brand imagery is typically established by depicting who uses a brand and under what circumstances (Keller, Sternthal & Tybout 2002, 84). In this thesis, the rest of Keller’s intangibles were left out and brand imagery was approached by asking the respondents to describe different situations in which people usually use Haglöfs’ products and what kind of people use Haglöfs.

When asked about typical Haglöfs’ users, the respondents had many different opinions. This imagery may result in a profile or mental image by customers of actual users or more aspirational, idealized users (Hoeffler & Keller 2002, 79). Some of the respondents approached the question with demographic factors and some with more abstract

psychographic factors. Demographic factors include gender, age, race and income (Kwong, Yau, Lee, Sin & Tse 2003, 227).

“People with average income.” (Resp. H)

“I think it is a brand for young, trendy adults with good income.” (Resp. G)

“Young and sporty.” (Resp. F)

Many respondents had a clear image of Haglöfs’ typical users, and they also felt that they could relate to them. The typical Haglöfs’ user was most often associated with young, sporty people with a good income so they can afford the brand’s expensive products.

Psychographic factors are, for example, attitudes towards life, careers, possessions and social issues. These can be linked to the respondents’ mental images of idealized users. One respondent, who was not a Haglöfs’ current customer, could see himself buying their products in order to pursue a desired user image.

“Active is a good word describing the typical users! Or these Haglöfs’ users look like it. Maybe I should buy Haglöfs (laughter). Well, I think their activity shows also because they are often walking or running.” (Resp. C)

Many of the user profiles are linked to the looks of the typical users. The respondents also acknowledged that they usually have high brand awareness and ability to compare different products.

“Good looking, trendy people who are interested in what to wear.” (Resp. E)

“Good looking people, who seem to be active.” (Resp. A)

“People who have high brand awareness. They are valuable products so not anyone can go and buy them.” (Resp. B)

“Their customers are also material aware. My co-worker was considering a purchase of a new jacket and she ended up with Haglöfs because the salesperson could explain all the functional features so well. I think that many people, who are willing to make a bigger investment; will explore the product attributes beforehand.” (Resp. A)

One respondent has also noticed that Haglöfs has started cooperation with some fitness/sports bloggers in Finland. She thought that their cooperation with blogs is a good way to show consumers what kinds of people are using their products.

“I think Haglöfs have lately intended to show what kinds of people are using their clothes. Some bloggers have been given clothes; sporty and fresh people. They bring out well what type of people they want their customers to be.” (Resp. D)

Respondent D also acknowledged that the bloggers seem like they are the typical Haglöfs’ users; active, sporty, young and fresh people. The user profiles were also connected with willingness to exercise in fresh air (Resp. I) and with people, who are “everyday exercisers”, for example those people who cycle to work (Resp. H).

The other dimension, with which the brand imagery was approached, is usage situations. It refers to how and when customers should use the brand (Keller 2008, 66). This dimension was approached by different sport categories and also how the respondents themselves are using the brand and in what situations.

“Trekking and outdoor situations. The products are presented in that manner on their website, but also it is told what the working solutions for city surroundings are.” (Resp. B)

“First I think of trekking but not like sports or jogging but like an outdoor life.” (Resp. C)

“Trekking in rainy forest with a backpack.” (Resp. I)

“I think so too, that weather, water and wind, proof products. And also for skiing.” (Resp. A)

From these answers, a conclusion is drawn that Haglöfs is associated as outdoor and trekking brand in Finland. According to Head of Sales (H.S.), these associations vary depending on the selling country. For example, in Switzerland the brand is associated as a climbing brand, in Spain it is a skiing brand and in Scandinavia it is mainly associated with hiking and trekking.

The respondents analyzed few of the usage situations in which they are using Haglöfs’ products. These situations are also connected with the time of year.

“You can use them around the year, you can have warm layer underneath in winter time.” (Resp. D)

“The jacket is ok also in the summer as it is so neat that it doesn’t feel like wind wear.” (Resp. F)

These answers emphasize Haglöfs' multi-functionality; the respondents felt that they can wear their shell layer and wind wear jackets throughout the year. The case company's jackets are versatile; you can wear them in the winter with a warm layer underneath as winter coats and also rest of the year as wind wear, because the jackets have water and wind proof attributes. The Finnish cultural feature also came up, as people wear their sports clothes, especially jackets, in their free time, not only when they are doing sports or getting fresh air.

"I use them when walking from home to the gym. I like my wind wear outfit and I think it's very stylish for wind wear." (Resp. F)

"All free time. Anytime except festive situations. If you think about their product range, for example backpacks. You see a lot of them, also jackets. We are not particularly dressing up here in Finland, so people can go into town wearing their Haglöfs clothes." (Resp. G)

"Maybe that is why they are used in everyday use because they are not only for sport purposes." (Resp. D)

The fact that people wear, and use, Haglöfs' products otherwise than just when doing sports, is increasing the number of the brand's usage situations. However, according to Keller (2008, 66), if there have been associations formed in this category, it might be tough for the company to change these associations. Sports related associations are not the only associations linked to the case company anymore, because the number of users is increasing, which can be seen in the street view.

"You see those backpacks everywhere nowadays! Almost every other has one." (Resp. B)

When customers have some opinions of the brand's performance and imagery aspects, they are able to form the brand meaning of that specific brand. In this stage, the case company needs to be aware of these opinions in order to create strong, favorable and unique brand associations, because these provide the key to building customer-based brand equity (Hoeffler & Keller 2002, 80). It is also admitted that the creation of these associations is not easy. When customers have brand meaning, i.e. they can evaluate brand's performance and imagery related attributes, it helps the marketers to produce brand responses.

4.2.3 Brand judgments and feelings

Customers can have different brand responses, which are distinguished to brand judgments and brand feelings (Keller 2008, 67). These brand responses are possible after customers have personal experiences with and opinions about the products or services. Customers may form judgments that transcend more specific brand quality concerns (Hoeffler & Keller 2002, 80). These judgments are customers' personal beliefs of the brand, which are formed by putting together all the different brand performance and imagery associations.

Brand judgments

Hoeffler & Keller (2002, 80) evaluate consumers' brand judgments through brand credibility, which refers to the extent to which the brand as a whole is perceived as credible. They categorize brand credibility into three dimensions: (1) expertise, e.g. being competent and innovative, (2) trustworthiness, e.g. being dependable and keeping customer interest in mind, and (3) likability, e.g. being fun, interesting and worth spending time with. However, this thesis approached the respondents' brand judgments by evaluating Haglöfs' product quality, reliability and trustworthiness, respondents' readiness to recommend the brand and uniqueness (Keller 2008, 68).

Haglöfs' product quality came up already when the respondents were asked to talk about the brand's performance and reliability. However, in the brand performance category the respondents were evaluating more the performance of the brand as a whole than the performance of specific products. When they were asked to evaluate and consider Haglöfs' brand and product quality, many of them matched higher price with quality.

“You can see from the price range that their products must be of good quality. They are not cheap. And also when you feel the product, you can tell that it is of good quality.”
(Resp. B)

“In those products I've had the quality has been good. But that I also demand as they are high priced.” (Resp. I)

As recognized earlier, the respondents approve Haglöfs' high price because it is, or it should be, a guarantee for good quality.

“The quality of the materials can be seen on the price. But if you know what you want, you are perhaps ready to pay a higher price.” (Resp. D)

The quality of the materials used was emphasized when the respondents were evaluating Haglöfs’ product quality. Many customers buy Haglöfs because of their materials used, for example Goretex jackets and weather resistant products. It was important to recognize that the respondents appreciated the quality of the materials and accessories.

“Seams and materials are of good quality.” (Resp. I)

“Zippers and buckles normally tell whether a product is from good quality.” (Resp. H)

It was also recognized among respondents, that the design and style of products are related to good quality. A connection between good design and brand’s responsibility and sustainability was also found in the interviews, when one respondent raised a fact that it is also good for the environment that the products are long-lasting and timeless.

“The products are timeless and you don’t have to replace them so often.” (Resp. D)

“It will save the environment if you can buy just one good product that you don’t have to replace every year.” (Resp. A)

Many respondents said that they appreciate Haglöfs’ good design and the little details of their products. According to Keller (2008, 68), the most important attitudes and associations towards a brand are related to customer value and satisfaction.

“I can’t say any example of the durability of the products, or user experience, but good design is also part of good quality. For instance the cutting that makes the garment to fit. That is quality, too, that they are functional. Good and classy design.” (Resp. G)

“I can add that my backpack is designed very well. The zippers have large rubber pullers that can be grabbed with big gloves.” (Resp. I)

“I have a waterproof zipper on my backpack. Many details have been thought over.” (Resp. H)

Customers’ perceived quality measures are inherent in building customer-based brand equity (Keller 2008, 68). Customers need to have positive perceptions of products’ quality in order to have more positive associations of the brand. These positive opinions lead to the next dimension of brand judgments; brand credibility and trustworthiness (Hoeffler & Keller 2002,

80). However, this dimension was already represented in the brand performance category. The respondents were so familiar with the brand that they evaluated its performance with emotional bonds and imagery in mind. There is no need to process Haglöfs' credibility and trustworthiness again.

The customers' readiness to recommend the brand is called brand consideration (Keller 2008, 68). All the earlier opinions, associations and perceptions are important but not enough if customers are not actually considering buying the product. In the interviews most of the respondents owned Haglöfs' products, therefore they were asked their level of readiness to recommend the brand. Two of the respondents, who were not the case company's customers at the moment, were asked if they would be ready to buy their products in the future.

"I could recommend Haglöfs to others, although I'm not really a brand loyal person. And actually I remember that I have recommended the brand when someone was considering a purchase of a jacket." (Resp. A)

As Respondent A highlighted, people can recommend different brands even though they are not loyal to that brand. Then they are recommending it because of, for example, its good performance, quality and durability, or whatever attributes are making the product good.

"I have recommended to many people. The clothes are waterproof and durable. Haglöfs have done well in pricing the products, not overpriced, not cheap – many people can afford to buy them." (Resp. D)

A couple of the respondents said that they would recommend it to others but more importantly they would recommend it to themselves. In other words, they have experienced Haglöfs' products as valuable and worthy so they are ready to replace their old products with similar new ones or buy more products from different product categories.

"Yes, I'm thinking of buying new pants to replace old ones soon. I could recommend the brand to myself." (Resp. F)

"I know the pants are so good, so why shouldn't I buy a jacket as well." (Resp. E)

It is important for a brand to create deep brand awareness and favorable brand associations (Keller 2008, 67) so that even those consumers, who are not current customers, would be ready to recommend the brand and even buy it in the future. Consumers could be so familiar with the brand without personal experiences that they could be able to recommend it to others.

“I’m ready to recommend and buy their products on the grounds of what I have heard from other people.” (Resp. G)

One respondent (Resp. C) said that he would be ready to buy the products if he really needed them or they would be a bit cheaper, for example on sale.

Brand consideration, i.e. how ready customers are to recommend the brand, is an important step in building customer-based brand equity because it shows how personally relevant the brand is for customers. According to Keller (2008, 68), brand consideration depends largely on the extent to which consumers can connect strong and favorable brand associations as part of the brand image.

The last dimension of brand judgments’ evaluation was Haglöfs’ uniqueness. Keller (2008, 68) calls this dimension brand superiority in order to measure the extent to which customers view the brand as better than other brands. The respondents felt that “unique” is a strong word for describing a brand because there are many similar competitors in the market.

“It is not, there are equal competitors”. (Resp. H)

“It is a unique brand in its own way, but there are similar brands in the market.” (Resp. B)

“There are competitors who are very much the same and with as good quality. Maybe there are no competitors with as wide product range, but if you look at one single product, there is competition.” (Resp. G)

However, the respondents raised few attributes that are differentiating Haglöfs from competitors and making it distinctive in its market field.

“I think Haglöfs is pretty recognizable. I don’t know if that is a criterion for uniqueness if you recognize an ad or a logo.” (Resp. A)

“You can easily spot Haglöfs by the visible logo. It is easy to recognize Haglöfs’ other products from different product categories. Products have the same look even if they are from different categories.” (Resp. D)

“Because of their colorfulness you see them in the street.” (Resp. E)

According to the respondents, the visible and easily recognizable logo, colorfulness and compatible looks of the products through different categories are the attributes that make the

brand distinctive and thus unique. However, they can name many of Haglöfs' competitors and therefore would not say that it is completely a unique brand. Superiority and uniqueness is critical to building intense and active relationships with customers (Keller 2008, 68). The respondents understood the dimension in a way that Haglöfs cannot be unique when there are other quite similar brands in the market, but referring to other customer-based brand equity categories, Haglöfs' customers seem to have strong and favorable associations in their minds. These associations create desired brand image.

Brand feelings

Brand feelings category is the other category creating brand responses with brand judgments. Hoeffler and Keller (2002, 80) approach this category with two dimensions: (1) social approval and (2) self-respect. The brand may help consumers justify their self-worth to others or themselves (Hoeffler & Keller 2002, 80). However, in this thesis the respondents were asked to list feelings that Haglöfs as a brand evokes. Although many of the interviewees were ready to recommend the brand, they did not classify themselves as brand loyal customers, therefore this category was approached by asking their feelings in general.

Some of the respondents admitted that they do not have any strong feelings for the brand. They said that they liked the products and appreciated their performance, but did not have any emotional bonds to the brand.

“None really, I can't say it awakes any admiration, jealousy or desire to buy.” (Resp. G)

“No strong feelings for or against.” (Resp. I)

Some of the feelings that came up in the interviews were about how the respondents perceived Haglöfs' brand, not how they personally felt about Haglöfs' brand.

“Quality.” (Resp. H)

“Expensive, comes first to mind.” (Resp. I)

However, these respondents (Resp. H & I) admitted that they are not loyal to any brands or have any emotional bonds. Many of the respondents emphasized that they appreciate the brand's quality and are satisfied with their products but do not exactly love the brand.

According to Hoeffler and Keller (2002, 81), social approval means a situation when a brand results in consumers having positive feelings about the reactions of others, that is when consumers believe others look favorably on their appearance or behavior. This dimension was almost dealt with earlier when the respondents were asked to describe typical Haglöfs' users.

“Haglöfs' brand awakes feelings towards person wearing the clothes. It might tell you that the person has same values, sportiness or some nature stuff. You might identify yourself with that person.” (Resp. G)

“Sporty. When I wear Haglöfs I feel sporty.” (Resp. E)

Among the respondents, Haglöfs' users were associated with favorable appearance and also behavior.

Consumers can have different feelings towards brands; all that matters is how positive they are. In this case, consumers were focused more on evaluating the brand's performance than observing their personal feelings. When a brand is so centered with different functional attributes, as Haglöfs is, these kinds of feelings are positive and well-rounded. According to Keller (2008, 71), brand responses have to be also accessible and come to mind when consumers think of the brand. Having strong brand responses in customers' minds lead to more intense and active brand relationships.

4.2.4 Resonance with the brand

After establishing five other categories of the customer-based brand equity pyramid, the final step is resonance, i.e. brand relationships. It is the ultimate relationship and level of identification that the customer has with the brand (Keller 2008, 72). Its goal is to describe the nature of customer-brand relationships and it is used to examine if the customers feel that they are “in sync” with the brand. In Keller's original CBBE-theory (2008, 72), this category is divided into four categories: (1) behavioral loyalty, (2) attitudinal attachment, (3) sense of community and (4) active engagement. In this thesis, this the respondents' resonance with Haglöfs have been approached by asking them about their brand loyalty and the level of attachment to this brand. Brand loyalty occurs when consumers have favorable attitude towards the brand and repeated purchases of the same brand over time (Pappu, Quester & Cooksey 2005, 145).

The respondents felt that they are not exactly brand loyal consumers, so this category was difficult to approach. One respondent admitted that she is attached to her Haglöfs' backpack but when she described her feelings, it seemed more like she is attached to that specific backpack because of its supreme attributes, not to the brand behind it.

“Yes, I am attached to the brand. I got it (the backpack) after a long consideration, and actually my grandparents bought it for me. It is easy to use and multifunctional. It provides room for my books and it looks good. I have used it for six months now, and I wouldn't change it for anything at the moment.” (Resp. B)

She also added that she chose that exact backpack because it was only one in the market that could be opened from the side. Behavioral loyalty, i.e. how often consumers purchase a brand, is not sufficient for resonance to occur. It requires personal attachment to the brand in order to outpace competitors' brands in purchasing situations (Keller 2008, 72).

After it was acknowledged that the respondents are not very loyal or attached to Haglöfs, and there is no resonance, or “in sync”-situation, between them and the brand, the reasons for this were discussed in the focus groups. The researcher wanted to know why the customers do not think that they have resonance with the brand, even though all of them were ready to recommend the brand and were very satisfied with the products.

“I can't invest so much money that could only buy Haglöfs.” (Resp. F)

One respondent emphasized that Haglöfs' products are expensive and it would take a lot of money to be loyal for the brand. She also stated that you can invest in one piece of clothing once in a while if they are as expensive as Haglöfs' products. According to Respondent F, Haglöfs' products are worth investing in but not very often.

The respondents also acknowledged that it is not common for young people, in Finnish culture context, to buy only one brand in the clothing industry. There are many factors that influence the decision making.

“It's not common among young people that every piece of clothing is under same brand. Often you find one good product and get attached to it.” (Resp. B)

“In clothes you have so many choices that you cannot be loyal to one brand or product.” (Resp. D)

According to the respondents, Haglöfs makes the sort of products, which are investments after long consideration. Customers may be brand loyal to Haglöfs, but as their products are long-lasting and easily repaired, the buying-cycle is longer than for example in regular clothing industry (e.g. everyday clothes) or in food industry.

“Brand loyalty normally occurs only with food products.” (Resp. E)

The respondents explained their behavior with their awareness of different brands and willingness to compare competitors’ brand before purchasing a product.

These six categories of customer-based brand equity give comprehensive insights of the opinions and associations of Haglöfs’ customers. It is important to investigate, how customers really think, feel and act in regards to the brand (Keller 2008, 74). These reactions can be exploited when planning the case company’s marketing activities and designing new products.

4.3 The influence of CSR on customer-based brand equity

The prior chapter outlined perceptions of Haglöfs’ brand as a whole according to their customers. Corporate social responsibility could have influences on each of the categories of customer-based brand equity. According to Hoeffler and Keller (2002, 82), CSR only has an impact on brand equity if companies can realize its potential.

Several researchers (e.g. Maignan 2001; Mohr, Webb & Harris 2001) have called for research to determine the extent to which consumers are aware of the CSR activities of companies (Pomeroy & Dolnicar 2009, 286). It is important for companies to investigate consumers’ perceptions of CSR issues in order to benefit from these issues in business. According to Popoli (2011, 420), companies CSR activities can produce positive or negative impact on brand image, therefore companies should be aware of their customers’ opinions of CSR activities in general and also of activities related to their businesses. In this thesis, the basic assumption is that consumers cannot really be aware of Haglöfs’ responsible initiatives, because the company has not communicated them to consumers. However, corporate social responsibility was approached generally by asking the respondents, whether they knew what

the term means in general and which actions could be categorized under the term. The respondents were also asked to discuss their personal opinions towards responsibility, ethical behavior and sustainability and think how those actions can impact on a company's business. Because all of the respondents were familiar with Haglöfs, they were asked to evaluate the relevance and fit of CSR to Haglöfs' brand.

Three factors for evaluating corporate social responsibility activities' effects on customer-based brand equity are: (1) awareness and knowledge of CSR, (2) relevance and meaningfulness of the CSR knowledge and (3) transferability of the CSR knowledge (Hoeffler & Keller 2002, 82). There has to be successful completion of the preceding factor in order to achieve the strongest effect on brand equity as possible. These factors reveal how the respondents perceive CSR activities in general and whether they connect these activities to Haglöfs' brand and find them relevant to it. First it is important to examine the strength and favorableness of the current associations towards CSR activities in general held by consumers in order to ensure their knowledge to the topic as a whole.

Building CSR awareness

The respondents had fairly clear views of different actions towards corporate social responsibility. First in this stage, they were asked to evaluate these actions in general, not in Haglöfs' case especially. The answers varied depending on the respondent but all the answers could be related to corporate social responsibility. The respondents could name many CSR targets.

"Environment, production process, no child labor." (Resp. D)

"Using recycled materials." (Resp. H)

"A company can be responsible by making durable products so that clothes are not thrown away." (Resp. E)

According to Hoeffler and Keller (2002, 82), the favorability of the associations coupled with CSR actions is based on the perceived benefits associated with them and also linked to consumers' own personal values.

"I think of the impacts on the environment when I'm making purchases. When I think of corporate social responsibility, first things coming to mind are environment and wellbeing of employees." (Resp. A)

When a consumer can link responsibility and sustainability to his/her own values and attach those values also with a brand, strong and favorable associations towards the brand may be created (Keller 2008, 66).

After the respondents had proved that they have basic knowledge of responsibility issues and could be said that they knew which activities can be categorized as corporate social responsibility issues, it was relevant to ask whether they knew anything about Haglöfs' responsibility despite the fact that the company has not marketed it yet. Some of the respondents confessed straight away that they did not know about the responsibility beforehand.

“If I was asked top three points which I feel Haglöfs wants to tell their customers, sustainability is not among them. More like quality, trendiness and sport.” (Resp. E)

However, few of the respondents, who categorized themselves as responsible and aware consumers, said that they have searched for responsibility information from Haglöfs' website before purchasing the products. They had some insights of the case company's responsibility based on the information provided in their website.

“It is contradictory, how they are making waterproof fabrics or can they be made in an environmentally friendly way. It probably takes a lot from the material to make a piece of clothing long-lasting and good. For example, a shell jacket needs to be long-lasting, with excellent breathability, waterproof and cope with apocalypse (laughter). But it will save the environment if you can buy just one good product that you don't have to replace every year.” (Resp. B)

“If you want information before a purchase, you have to search it online. That information can be found, for example on blogs or companies' websites. Haglöfs has it well on display. If you want it, you can get it. I am a little sceptic towards firms' corporate social responsibility reporting, because it feels like it's a bit greenwashing. They say that they are very environmental friendly, but they are not really telling what it really means. However, I don't think there are many people who are really digging the information.” (Resp. A)

When building consumers' CSR awareness, it is important to understand how they are thinking about companies' CSR information. As Respondent A mentioned, corporate social responsibility reporting might be considered a greenwashing operation in order to polish the

brand's image. It is a risky subject to communicate to consumers, if they do not understand the linkage between firms' intended responsibility and their true actions (Popoli 2011, 426). The respondents were wishing for more transparent and believable communication.

“A lot of companies say that they are sustainable in their business, but not opening up what is meant with it. It is a method for competing; Haglöfs could have it as a competitive advantage if they could communicate it properly.” (Resp. E)

“I don't think that customers can really see companies' responsible actions. Or you can find the information if you search for it. I found a cool booklet from Haglöfs' website, where you can find that information. I found the information that the brand is an affiliate of Take Care and engaged lots of responsibility demands, but you can't know that if you're not searching the information.” (Resp. B)

The respondents also called for easier ways to find out companies' responsibility activities. Brunk and Blümelhuber (2011, 134) remind that customers' perceptions about a brand's ethical activities, which are formed through company's CSR information, might steer their purchase behavior. Many researches have demonstrated that, assuming everything else is constant, consumers are more likely to purchase from companies that engage in CSR actions (Klein & Dawar 2004, 205; Du, Bhattacharya & Sen 2007, 224). In focus group discussions a fact came up that a brand's responsibility could have an effect on the respondents' purchase behavior but only if they knew its existence.

“Usually I make my decisions based on responsibility and sustainability if I know it, but when I don't know it, I kind of forget ethical issues. But at the same time, I think that it is important to care about some issues than not to care about anything. However, responsibility is not the most important criterion of my purchase decision making. You can't always investigate the origins of products, otherwise life would get hard. But it would be great if there could be more information for consumers. If I knew that the firm is responsible, and the price is the same, I would buy the more responsible product of course.” (Resp. A)

Corporate social responsibility affects customer-based brand equity only if the customers know about it (Hoeffler & Keller 2002, 82). Therefore CSR awareness building is the first and most important step when a company desires to benefit from customers' associations towards responsibility issues and to link these issues to their brand image. A traditional way to increase consumers' CSR awareness is to the communicate company's responsibility issues

through marketing messages. According to Morsing and Schultz (2006, 323), messages about corporate ethical and social responsibility initiatives are most likely to evoke strong and often positive reactions among consumers and other stakeholders. Awareness of corporate social responsibility must be built carefully and precisely in order to link consumers' potential positive associations of responsibility and sustainability issues to the brand. After CSR awareness is at good level among consumers, the company should investigate their opinions about CSR-brand fit, i.e. how well they think that responsibility actions suit the brand.

Evaluating relevance and meaningfulness of CSR activities

In this stage it is noticeable for companies to use highly sophisticated marketing messages where a brand and CSR target fit in order to create more favorable attitudes and opinions towards the brand and the company (Nan & Heo 2007, 66). It is easier for consumers to evaluate CSR-brand fit if it transpires already in a company's marketing message. As the respondents all were familiar with Haglöfs as a brand and also with the company's products, it was appropriate to ask them to evaluate whether responsibility and sustainability suit Haglöfs' brand. There have not been any marketing messages around the corporate social responsibility theme in Haglöfs, but the respondents were asked to evaluate the fit based on their existing knowledge and their imagination.

The respondents had a belief that responsibility and sustainability are suitable aspects for clothing companies to implement. According to Islam and Deegan (2010, 131), responsible way of doing business is an appropriate object to engage in for clothing companies because they have been accused for poor working conditions because these companies keep their production in low-cost countries. The respondents also saw that clothing companies can easily make a difference when engaging in sustainability issues.

“It is a good thing that a clothing company wants to improve responsibility issues. It would be pretty sad, if no one will even try.” (Resp. A)

“Consumers can be demanding. If some company in the clothing industry can be transparent in their responsibility processes, consumers may demand it from other actors as well.” (Resp. A)

The respondents thought that responsibility issues might even become a standard one day and every company has to engage in them in order to keep up with competitors. It was recognized

that one company cannot change the world, but could be a good example for other companies in the market.

“One single company is not changing the world, everybody must commit.” (Resp. G)

“Someone has to be the first to take responsibility issues into account. It will give better image for consumers. However, it probably will cost more for customers.” (Resp. C)

It is a good basis for relevance and meaningfulness evaluation that the respondents believed that the whole industry was suitable for responsibility and sustainability activities' implementation. One other aspect for evaluating CSR-brand fit, which occurred in the focus group discussions, is to evaluate CSR-brand-customer fit, i.e. whether Haglöfs' existing customers are likely to appreciate responsibility issues.

“You might think that these responsibility issues are important to Haglöfs' customers, because they are outdoorsy people.” (Resp. A)

The respondents connected Haglöfs' customers with outdoorsy, nature-loving people, who could support responsibility and sustainability issues because they want to keep companies from destroying the environment so they have a place to use these kinds of products.

“Responsibility really does suit for Haglöfs' brand. People hiking a lot belong to the crowd thinking that nature must not be destroyed. It suits well in that.” (Resp. H)

If the CSR target bears some relation to the line of business for the firm or the nature of its products, the firm may seem more well-rounded and thus more expert (Hoeffler & Keller 2002, 80). The respondents acknowledged that Haglöfs has done good work engaging in responsibility issues because it can get lots of support from their existing customers, it suits the industry as a whole and their products are already long-lasting which can be perceived as responsibility.

Transferring CSR associations to the brand

Lastly, according to Hoeffler and Keller (2002, 82), it should be examined whether the associations linked to responsibility actions can be transferred to the brand. The basic assumption behind this step is that consumers have some potentially useful and meaningful

associations, judgments or feelings for corporate social responsibility, which then might be transferred to the brand. However, in this case the respondents did not know in which CSR targets Haglöfs has engaged, so this step is basically impossible to study from Haglöfs' perspective.

In this step the respondents' opinions of CSR effects on the company itself are presented. They believed that CSR can have an effect on the company as a whole and can create added value.

“In the long run, the responsibility can be perceived in the firms brand image.” (Resp. C)

Respondent C mentioned that responsibility might be a part of brand image, when responsibility activities are operated in the long run. When companies take a systematic approach in informing responsibility and sustainability as their brand values, the more likely consumers could associate those values with the brand. According to Hoeffler and Keller (2002, 83), the more opportunities, and longer time frame, consumers have to experience connections between CSR activities and the brand, the stronger will be the associations between these activities and the brand.

It was also believed that responsibility could affect consumers' purchase decisions and add value among existing customers.

“Responsibility can surely add the product value among Haglöfs' target group.” (Resp. I)

However, it was acknowledged that responsibility cannot create value if consumers are not aware of it. CSR knowledge plays an important role in creating added value if companies want responsibility to affect consumers' purchase decisions.

“I don't think that it will bother anybody, or people will not buy the product because it is responsible. It might not bring added value if people are not aware of its meaning.” (Resp. A)

Lastly, corporate social responsibility was seen as a positive thing for companies to take into account.

“Responsibility is a competitive advantage; you can have an advantage by being responsible if the competitors are not. I see it as strength.” (Resp. G)

The respondents acknowledged that CSR can be a competitive advantage for companies if it is implemented in the right way and communicated carefully to consumers. It cannot give any benefits for companies if the consumers are not aware of it. The most important result that stemmed from focus group discussions is that Haglöfs needs to add responsibility to their marketing messages, and also should have done it right from the beginning. It is no use for them to be responsible if their customers do not know it.

“Is sustainability a core idea of the brand that Haglöfs wants to communicate to the customers? I feel that it is more important in internal communication.” (Resp. D)

As one respondent had noticed, Haglöfs has not communicated it outwards, but only inwards. Responsibility and sustainability have been part of company’s values for a long time and the employees have operated according to these values. However, it is a good thing to make the employees believe it first before communicating it to consumers, but now, it is time to start to add it with other marketing messages.

4.4 Conclusions

4.4.1 Re-evaluation of the theoretical framework

Essentially the case company has adopted an extremely sustainable and responsible way of doing business. Its responsibility is multifaceted and wide, and it consists of all the aspects of corporate social responsibility (economic, social and environmental responsibility). Economic responsibility consists of providing reasonable income to employees, the local area and also to the manufacturer’s employees, as well as paying taxes. Social responsibility is also related to employees and to their wellbeing. Haglöfs’ environmental responsibility is shown throughout the production process; it has been integrated into every step of the supply chain. The supply chain and production processes have been designed in a sustainable way. However, Haglöfs has not investigated their customers’ opinions of their responsibility activities and therefore responsibility has not been communicated through marketing messages to consumers. The

challenge for marketers in building a strong brand through corporate social responsibility is to ensure that customers have the right type of experiences with products and services so that the desired beliefs, perceptions and options become linked to the brand (Hoeffler & Keller 2002, 79).

There are two opposite perspectives to evaluate brands, i.e. a company and customer perspective. The ideal situations would be when these two perspectives are exactly the same, so the company has done accurate job in communicating its core values to consumers. However, there might be gaps between how the company sees itself and consumers' opinions of the company. For companies this requires ongoing brand building and keeping themselves updated with consumers' perceptions of the brand (Grönroos 2007, 287). In this case, Haglöfs' brand identity and their customers' brand image differ a little. Figure 9 presents Haglöfs' brand platform, i.e. brand identity, from the case company's perspective. Consumers', in this case the respondents', opinions of Haglöfs' brand are represented in figure 10, where their opinions and associations, which also form brand image, are seen as building blocks for customer-based brand equity.

Haglöfs has managed to communicate their desired brand identity to consumers, but the dimensions "Inspiring" and "Sustainable" have not come across to the respondents. However, they categorized Haglöfs' products as long-lasting, but did not first connect it to sustainability and responsibility. That connection occurred later when they were asked to think about Haglöfs' brand and CSR fit. The "Inspiring" dimension did not occur in the represented form either. The respondents were reluctant to admit that they are brand loyal to any brands. All of them trusted the brand but did not have any deeper feelings towards it.

The formation of Haglöfs' customer-based brand equity, i.e. consumers' brand image, is represented in figure 10. It helps the case company to understand how their customers really think, feel and act in regards to their brand. The strongest level of customer-based brand equity occurs if the brand manages to get to the top of the pyramid. Brand resonance is the pinnacle of the CBBE model (Keller 2008, 78). The result of customer-based brand equity building in this thesis is that the respondents had knowledge and opinions of Haglöfs' salience, brand performance, imagery and they had judgments of its brand and products, which are represented in the CBBE pyramid (figure 10). However, they did not exactly have

any strong feelings towards the brand and did not have strong relationships, i.e. resonance, with the brand. These results may vary depending on the interviewees.



Figure 9 Haglöfs' brand identity (H.S. 21.1.2014)

The CBBE building process was investigated without the respondents' knowledge of Haglöfs' responsibility. The responsibility aspect was investigated as separate and then connected to the respondents' general view of the brand. In the theoretical framework (figure 5), there were three factors predicting CSR activities' impacts on customer-based brand equity; (1) CSR awareness, (2) CSR relevance and meaningfulness and (3) CSR transferability (Hoeffler & Keller 2002, 82). Each of these factors should be built on the successful completion of the preceding factor. However, based on the empirical evidence in this case, where the respondents did not have comprehensive knowledge of Haglöfs' CSR initiatives, two of these three factors were highlighted.

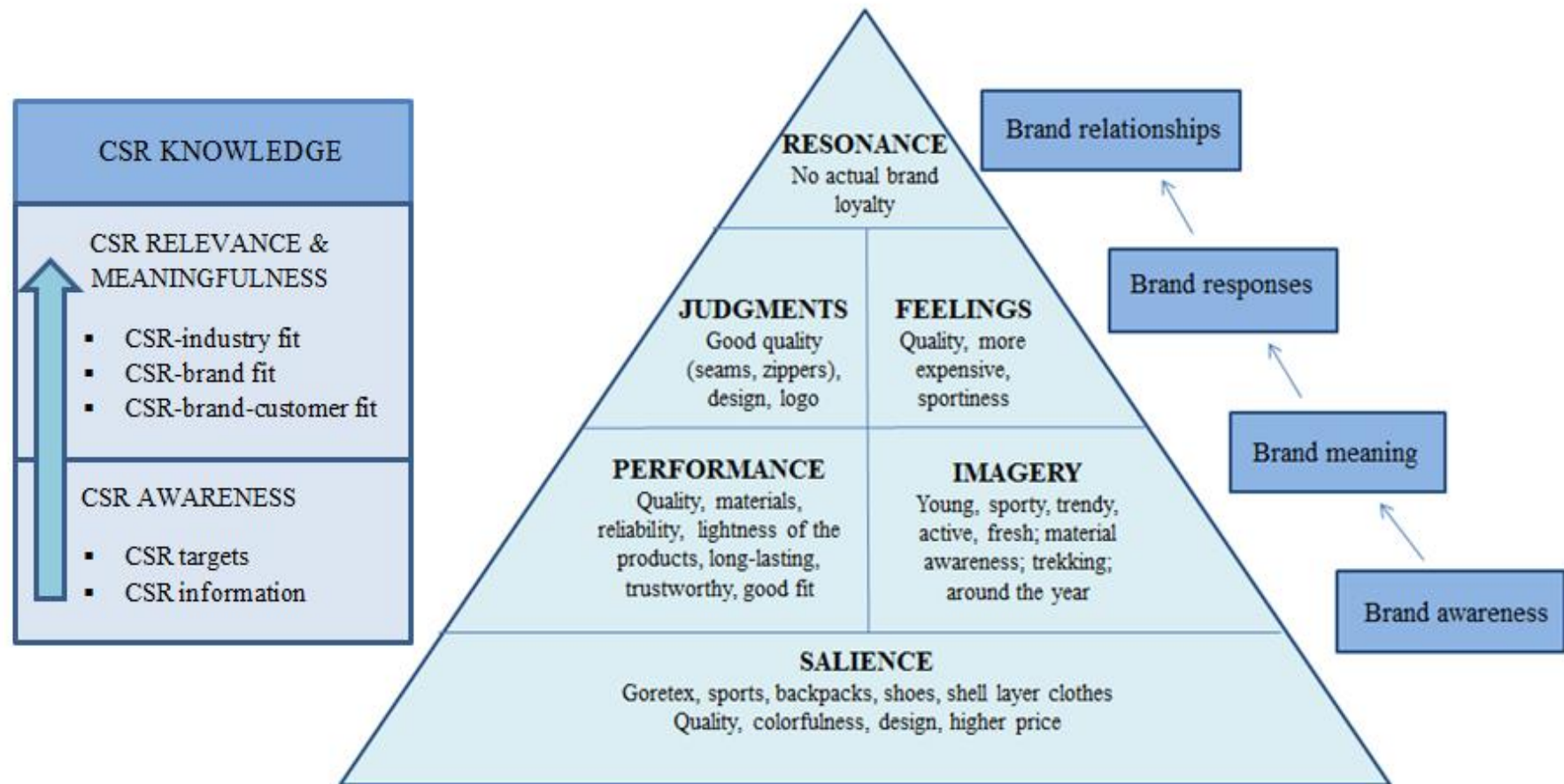


Figure 10 Re-evaluation of the theoretical framework

This thesis has strengthened earlier evidence, that CSR awareness is essential if a company desires to be perceived as responsible. Among the respondents, CSR awareness was understood as consumers' knowledge of companies' CSR activities and targets. CSR awareness building and increasing was seen through companies' CSR information and marketing messages. According to the empirical findings, CSR awareness influences mainly companies' overall brand image and therefore has a strong effect on customer-based brand equity building as a whole. Companies should communicate their CSR activities in believable and transparent manner, so consumers are not judging these actions as greenwashing operations. Corporate social responsibility, and its successful implementation, requires consistent and ongoing stakeholder awareness and calls for sophisticated CSR communication strategies (Morsing & Schultz 2009, 323).

When CSR awareness occurs and has affected a company's brand image, the other factor – CSR relevance and meaningfulness – can have an influence on consumers' more specific opinions and perceptions of a brand. The relevance and meaningfulness of CSR awareness assumes that consumers have some knowledge of the company's CSR activities and they can evaluate and compare company's brand image to their CSR activities' relevance. Based on the empirical findings, relevance and meaningfulness of CSR allow consumers to evaluate the potential connection between CSR and industry, CSR and brand and CSR, brand and customers. The respondents evaluated that responsibility and sustainability suit well for an outdoor clothing company, because its customers might be people, who would appreciate Haglöfs' efforts for protecting the environment. Brand's responsibility was seen as an attribute, which might have a positive effect on consumers' purchase behavior. As mentioned, this factor would mainly have its effects on more specific evaluations of the brand. For example, the respondents did not first connect the durability of Haglöfs' products to responsibility and sustainability, but when they were asked to evaluate CSR-brand fit, the connection was found.

The original third factor, transferability of CSR knowledge, was left out of the re-evaluation of the theoretical framework based on the empirical evidence. Yet, there was no connection found that the respondents' associations of corporate social responsibility were transferred to Haglöfs' brand. This factor could be re-evaluated again after Haglöfs has started to communicate their responsibility to consumers. If companies desire to truly gain lasting brand-based advantages through corporate social responsibility, they may need massive

corporate commitment to it and also considerable consumer awareness (Hoeffler & Keller 2002, 87).

4.4.2 Managerial implications

The lack of CSR awareness is a key stumbling block for companies looking to reap strategic benefits from their CSR efforts (Bhattacharya & Sen 2004; Du, Bhattacharya & Sen 2007). It is a result of a poor CSR communication. Companies need to work harder to increase CSR awareness because minimal benefits are likely to accrue if their target market is unaware of their CSR efforts (Du, Bhattacharya & Sen 2007, 238).

CSR is a risky subject to communicate to customers because they might not understand the linkage between firms' intended responsibility and their true actions (Morsing & Schultz 2006, 323). Also consumers can always criticize that companies are not doing good enough, or focusing on right CSR causes. However, as a result from the empirical findings, if responsible actions are costing extra money for the firm, consumers might consider them as positive. The information told to consumers must be believable, so it cannot be just all positive. Firms need to be able to tell consumers, what is done, why it is done and what will be done in the future. If responsibility activities are transparent, the messages will not be perceived as greenwashing. So the communication is not seeking for maximum profits.

Consumers are calling for easier ways to get responsibility information. More education for the retailers was suggested in the focus groups because salespeople can give consumers that extra information about responsibility, which might have impact on consumers' purchase behavior. A good way to reach consumers with responsibility communication is to place the information to the labels hanging from the products. In this way the important information would be close to the end customers, so they do not have to search that information online. Responsibility information can also get more attention when it is there at the point of purchase, and more consumers might find themselves interested in companies' responsibility efforts. If responsibility is announced in the label, consumers can study it by themselves; they do not necessarily need salespeople to tell it to them. The new concept for communicating responsibility, Take Care, was considered as believable and a good way to approach

responsible advertising. However, it should be explained carefully so consumers can receive the important information from the labels. It is also supposed, by using Take Care concept in the labels, that consumers actually read them and are interested in the information that labels are providing.

However, consumers need to know something about companies' responsibility efforts beforehand so they know what to search for when buying the products. Responsibility should be included in the commercial advertisements also, so it can get more attention among consumers. Things that come to light through social media (or mass media) are recognized and remembered easily (Mangold & Faulds 2009). For example, the interviewees experienced that TV commercials might have an efficient influence on consumers. Companies could also use pop-up stores in order to communicate responsibility to consumers. The firm could set up few pop-up stores in the most important stores to educate people of responsibility issues. However, all of the interviewees thought that companies should highlight themselves with all possible ways in commercials; everything that differentiates them from competitors in a positive way is worth to communicate to consumers.

Du, Bhattacharya and Sen (2007, 238) suggest that companies ask themselves several key questions in order to get more strategic point of view in their CSR decisions: (1) what do we want to achieve through our CSR efforts? (2) how do we differentiate our CSR initiatives from competitors'? and (3) how can we integrate our CSR efforts with our core competencies? Strategic approach is important in order to increase consumers' CSR awareness systematically and continuously. If a company wants to be perceived as responsible, its marketing messages in the future should move around the responsibility theme. Favorably evaluated CSR beliefs that are unique to the brand are critical to the success of a CSR strategy. The right CSR strategy also requires an understanding of what differentiates a company from its competitors (Smith 2003).

5 SUMMARY

Consumers' increasing demands for environmental and social issues have changed the field of business significantly. These demands have increased the number of companies engaging in responsible and ethical issues. There are many similar terms represented in business journals, but in this thesis the central term is corporate social responsibility (CSR), which can be defined in many different ways. In general, CSR means doing business in a way that produces an overall positive impact on society. Companies engage more and more in CSR issues because of their own internal interest towards the economic and societal benefits of responsibility; it is not always derived from the stakeholders' recommendations and perceptions.

Today's consumers are empowered and aware of ethical issues, which is influencing their purchase behavior and decision making. It is said that corporate social responsibility plays a role in consumers' brand and product evaluations and has a spillover effect on otherwise unrelated consumer judgments. It is important for companies to investigate the benefits of their responsibility actions, i.e. whether consumers appreciate them and have interest towards them and how being responsible might influence their brands. This thesis takes the first approach and studies customer preferences and attitudes towards responsibility activities.

The purpose of this research is to describe and analyze how the company's corporate social responsibility activities are influencing its customer-based brand equity. The research purpose is specified with the following research questions:

1. What kinds of brand associations form customer-based brand equity?
2. How are the CSR activities influencing customer-based brand equity?

The case company in this thesis is Haglöfs, which is a traditional outdoor-clothing company from Sweden. It has already built a strong responsible brand, but its customers' attitudes have not been investigated in regards to their responsibility activities.

In the literature, many different ways to approach brand equity have been represented. However, this thesis is based on the assumption that the sources of brand equity are consumers' brand awareness and brand image. They are forming consumers' comprehensive brand knowledge, which then represents brand equity in the consumer's mind. It is easier for consumers to build brand equity in their minds if they already have some knowledge of the brand. A brand can only achieve customer-based brand equity when customers have a high level of awareness with the brand and hold some strong, unique and favorable associations of that brand. These associations form consumers' brand image, which is the consumers' perceptions and opinions of the brand. Brand can be evaluated also from company's perspective as brand identity, which is the description of the brand image marketers desire to create. It is acknowledged that there might be gaps between brand identity and brand image.

This gap can be investigated with customer-based brand equity, which gives companies important information of how their customers think, feel and act towards the brand. This information can be exploited when, for example, planning marketing messages and designing new products. Building customer-based brand equity is a multifaceted process, which has four important steps each of which is contingent on successfully achieving the objectives of the previous one. Firstly, companies have to ensure identification and an association of the brand in customers' minds (brand awareness). Secondly, it is important to establish the totality of brand meaning in the minds of customers by strategically linking a host of tangible and intangible brand associations with certain properties (brand meaning). Next, companies need to investigate the proper customer responses to this created brand identification and brand meaning (brand responses). Lastly, brand responses need to be converted in order to create an intense, active relationship between customers and the brand (brand relationship). These four steps represent the proactive behavior that companies need to engage in.

Building customer-based brand equity occurs through six significant brand building blocks. These blocks are salience (brand awareness), brand performance and brand imagery (brand meaning), brand judgments and brand feelings (brand responses) and resonance (brand relationships). The order of these building blocks is important, because companies cannot establish brand meaning without consumers having brand awareness first. Brand responses are not possible if consumers do not have brand meaning and brand relationships cannot be established without brand responses.

There seems to be an agreement in the business field that CSR activities have the potential to create stronger and better relationships between companies and their stakeholder, for example customers. Strategically integrated corporate social responsibility has a strong impact on brand image and brand equity. However, companies need to realize the potential of CSR in order to achieve any benefits from it. It is fairly important to investigate consumers' opinions of responsibility as a whole and specifically perceptions of the brand's responsible actions. Two basic questions for investigating consumers' attitudes towards CSR and brands are (1) what do consumers know about company's responsibility? and (2) does any of this knowledge affect what they think about the brand? First, it is important to study consumers' awareness and knowledge of CSR in order to find out whether they collectively know anything about responsibility. If consumers do not have any CSR awareness, nothing can be transferred to the brand. Secondly, if consumers have certain level of CSR awareness, relevance and meaningfulness of consumers' knowledge can be studied. It is important for companies' brand image and equity building that consumers find responsibility aspects relevant to the brands. Lastly, if responsibility activities are deemed as relevant to the brand, it is rational to investigate to which extent judgments and feelings towards CSR associations will be considered positive in the context of the brand and whether these CSR associations could be transferred to the brand in a positive manner.

If a company desires their brand to be perceived as responsible, it is important to link the brand to responsibility in consumers' minds. Responsibility and CSR might have an impact on each step of the customer-based brand equity building process influencing consumers' way of thinking and their purchase behavior.

This thesis has been conducted as a qualitative and descriptive case study, because it focuses on one case; Haglöfs' corporate social responsibility as experienced by the company's customers. The case study method was chosen because it is used to investigate a contemporary phenomenon within its real-life context, which suits for the responsibility and sustainability issues. The empirical evidence was gathered using focus group interviews, which means a situation when a selected group of people are gathered to discuss a selected topic or an issue. The empirical evidence was gathered from three focus groups in early 2014. The number of people in each group was three, because the suggested number is two to ten people in order to achieve the best result and thickest description. The interviews were

conducted in Finnish, then transcribed from the recordings in Finnish and then translated to English.

Focus group interview is used as the main method in this thesis in order to investigate consumers' perceptions of the case company's corporate social responsibility. The information derived from the focus groups was then completed with information from other sources. Although the main focus in this thesis is on customer perspective, it seemed reasonable to interview two people from the case company's executive group as well. These interviews are called key informant interviews because they provided deeper insights into brand identity and responsibility. Haglöfs' company documents are also used as a support to the researcher's personal knowledge of the case company.

In this thesis, Haglöfs has achieved deep brand awareness among customers. The brand has been associated as reliable, long-lasting and trustworthy. The special features of the brand are good quality, timeless design, colorfulness and lightness of the products. Haglöfs has achieved a positive and advantageous brand image among consumers. However, in this thesis the brand did not reach to the top of the customer-based brand equity pyramid, so the respondents did not have especially strong relationships with the brand.

The empirical evidence strengthened earlier findings that CSR awareness is essential for companies to communicate to consumers in order to become perceived as responsible. Consumers' CSR awareness can be increased through companies CSR information and responsibility filled marketing messages. That information must be transparent and believable otherwise it could be considered as greenwashing of the brand image. The empirical data showed that consumers reflect CSR awareness as their knowledge of companies' CSR targets and other responsibility activities. Based on the empirical data, consumers' CSR awareness was shown to influence company's comprehensive brand image. In other words, if consumers know about company's investments into responsible and sustainable way of doing business, it can influence company's brand image as a whole.

After CSR awareness is established and its impact on brand image as a whole recognized, CSR can also have an effect on consumers' more detailed opinions of the brand. The empirical findings suggested that when consumers are evaluating the relevance and meaningfulness of corporate social responsibility, they are actually evaluating CSR-industry

fit, CSR-brand fit and CSR-brand-customer fit. Responsibility was seen to suit well for an outdoor-clothing company, because its products are long-lasting and its customers might be people, who would appreciate Haglöfs' efforts for protecting the environment. These more detailed evaluations can have an effect on the customer-based brand equity's building blocks; brand performance, imagery, judgments, feelings and resonance. The first building block, salience, might be impacted already when consumers are building CSR awareness. The relevance of CSR can also have an influence on consumers' purchase decisions.

The clear conclusion and cogent message of this thesis is that consumers have to know about responsibility and CSR activities before they can perceive a brand as responsible. Companies need to provide believable and transparent CSR information, which can be perceived as relevant and meaningful to the brand. The responsible way of doing business does not provide any benefits from consumers, if it is not communicated to them. The first, and most essential, step in linking responsibility to the brand is to communicate it through accurate marketing messages to the consumers.

The research opportunities concerning responsible brands are vast as they can be examined either from company's perspective or from outside stakeholders' perspective. In the future, the same study could be conducted after the case company has included their responsibility initiatives to their marketing messages and programs. It would be interesting to see whether their customers' perceptions about Haglöfs' brand as a whole and their responsibility have changed due to the responsibility filled marketing messages. As this thesis took the customers' perspective, corporate social responsibility could be investigated from the employees' perspective, inside the company.

If customer-based brand equity is built through CSR, it would be interesting to compare its effects versus "normally" built customer-based brand equity to the company. Whether CSR has a stronger effect on consumers and thus CBBE might have more advantageous effects on the company. The case company of this thesis operates in the clothing industry, in which engaging in responsibility makes sense, because of the working conditions and environmental effects. It would be interesting to investigate different industries and also international versus domestic companies. The study could also be conducted in business-to-business (B2B) context. As responsible branding and different CSR programs receive growing attention from companies, more research is needed.

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APPENDICES

APPENDIX 1: Haglöfs' sustainability goals

TARGETS 2008-12	STATUS 2012	TARGETS 2015
30% OF ALL PRODUCTS SOLD IN THE CLOTHING BUSINESS AREA TO BE MADE OF RECYCLED MATERIALS.	30%	50% OF ALL PRODUCTS SOLD IN THE CLOTHING BUSINESS AREA TO BE MADE OF RECYCLED MATERIALS.
30% OF ALL PRODUCTS SOLD IN THE CLOTHING BUSINESS AREA TO BE MADE OF BLUESIGN®-APPROVED MATERIALS.	33%	80% OF ALL PRODUCTS SOLD IN THE CLOTHING BUSINESS AREA TO BE MADE OF BLUESIGN®-APPROVED MATERIALS.
15% OF ALL BACKPACKS SOLD TO BE MADE OF RECYCLED MATERIALS.	17%	50% OF ALL PRODUCTS SOLD IN THE HARDWARE BUSINESS AREA TO BE MADE OF BLUESIGN®-APPROVED AND/OR RECYCLED MATERIALS. (1)
50% REDUCTION IN GREENHOUSE GAS EMISSIONS PER SEK MILLION SALES COMPARED WITH 2008.	26%	70% REDUCTION IN GREENHOUSE GAS EMISSIONS PER SEK MILLION SALES COMPARED WITH 2008.
		40% OF ALL PRODUCTS SOLD IN THE FOOTWEAR BUSINESS AREA TO BE MADE OF RECYCLED MATERIALS. (1)

APPENDIX 2: Focus group interview outline

1. Salience

- What do you think of Haglöfs?
- In which product category would you place the brand?
- Can you name any of its competitors?

2. Performance

- How reliable is this brand?
- To what extent does this brand have special features?
- Compared with other brands in the category with which it competes, can you evaluate its performance?

3. Imagery

- In which situations is the brand used?
- What kinds of people are using the brand?

4. Judgments

- What is your assessment of the product quality of this brand?
- How credible and reliable is the brand?
- Are you ready to recommend this brand?
- How unique is the brand?

5. Feelings

- What kinds of feelings is the brand evoking?

6. Resonance

- Are you loyal to this brand? Why / why not?
- Are you attached to this brand? Why / why not?

7. Responsibility

- As a customer, can you tell if a company is responsible?
- Which responsibility activities are the most/the least important?
- Is company's responsibility affecting your purchase decisions?
- Are responsible companies favored? Why / why not?
- Does responsibility matter for a single customer / the company itself / society?
- How should the company communicate its responsible activities and engagements to the consumers?

APPENDIX 3: Outline for key informant interviews

Interview questions for Haglöfs:

Here are few questions for the company representatives in order to give the researcher deeper understanding of Haglöfs' brand, values and responsible actions. The results of these questions will be used as complementary to support the empirical evidence from customer interviews. I appreciate if you would have time to answer these questions! Thank you!

Interviewee's name and title:

1. What is the brand's particular vision and aim?
2. In what countries is the company operating?
3. What is its field of competence?
4. What are its core values?
5. How would you describe Haglöfs' target customers?
6. What makes the brand different? What are the signs which make the brand recognizable?
7. What is the intended brand identity that the firm is communicating to customers?
8. What kind of CSR activities is the company practicing?
9. Why has the company taken so many responsible goals and objectives to its agenda?
10. In your opinion, what is the future going to look like for Haglöfs?

APPENDIX 4: Interviewees

Key informant interviews

Interviewee (title and name)	Interview date
Head of Sales, Jari Grev	21.1.2014
Sustainability Director, Lennart Ekberg	13.1.2014

Focus group interviews

Gender	Age	Interview date
Female	27	30.1.2014
Female	22	30.1.2014
Male	23	30.1.2014
Female	24	4.2.2014
Female	24	4.2.2014
Female	23	4.2.2014
Male	26	5.2.2014
Male	24	5.2.2014
Male	26	5.2.2014