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**BRAND DEVELOPMENT PROCESS IN THE AGE OF DIGITAL
DISRUPTION
CASE S-PANKKI**

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SUMMARY

It is the dawn of the digital revolution and a lot of brands in many industries are struggling to keep up with the accelerating fast-paced progress that is disrupting industry after another. Traditional and well-established brands lose their competitive edge overnight and distance themselves from the digital native customer which require a strong digital presence from brands. Businesses that stay relevant in the long term manage to innovate successfully and continuously develop their brands forward. A truly meaningful brand has a shared purpose and vision which resonates through the entire organization and to all stakeholders by answering the question why first. A meaningful brand can establish a strong connection with its customers and propose an authentic customer value proposition as there is a shared mutual goal with the company and the customer.

This thesis describes the brand development process as an on-going continuous loop where old product lines finance the new innovative product lines which in return give a halo of modernity to the old ones. This kind of cyclic process is proposed as a key to success in the longer term in brand development as the research question is “How to develop a meaningful banking brand in the digital age – Case S-Pankki”. The answer to this research problem is intended to find through a structure of three goals which include defining the disruptive brand development process, defining the problem areas in S-Pankki’s brand development and developing S-Pankki’s own disruptive brand development framework.

The empirical research part of the thesis constructs a bridge between the theory and practise of the thesis and lifts up insights and findings that help to form a practical action plan and the elaborated version of the disruptive brand development process framework that facilitates the future efforts of S-Pankki’s journey towards becoming a digital bank and improving their current brand development process. The thesis sums up with conclusions and future implications that suggest implications for future research.

KEY WORDS: Digital disruption, Brand development, Banking industry

1. INTRODUCTION

It is the dawn of the digital revolution and a lot of brands in many industries are struggling to keep up with the accelerating fast-paced progress that is disrupting industry after another. Traditional and well-established brands lose their competitive edge overnight and distance themselves from the digital native customer which require a strong digital presence from brands. Businesses that stay relevant in the long term manage to innovate successfully and continuously develop their brands forward. A truly meaningful brand has a shared purpose and vision which resonates through their entire organization and with all stakeholder's by answering the question why first. A meaningful brand can establish a strong genuine connection with it's customers as there is a shared mutual goal and future with the company and the customer.

Innovations are the engines of growth in the long-term and business that sustain a constant cycle of innovation successfully drive their category and industry further. Brand development is not a static process but a cyclic loop process where old product lines finance the new ones which in return give a halo of modernity to the old ones. (Kapferer 2012: 204). In order to be a truly customer-orientated company a brand has to integrate it's customers to it's brand value creation process and innovate by co-creation. (Leavy 2012: 27-28). Companies that involve customers in their innovation and brand development process get valuable external input which enables the brand to be genuinely customer-orientated.

Digitalization is currently disrupting the banking industry and in the post- financial crisis era banks suffer from an all-time low of trust in them. (Bennett; Kottasz 2012: 128-129). In the current situation, innovation is ever-more important for banking brands and the companies that now have the courage to innovate and disrupt their business can achieve a competitive advantage for a longer period of time. The banking industry has always been quite the conservative type due to legislation and industry traditions and major banking disruptions happen once a century. This is why new banking innovations have become to emerge from outside of incumbent banks from small and rising start-up companies and this new booming fintech sector poses a major threat to the industry leaders.

S-Pankki is a part of S-ryhmä which has over 2,7 million customers in Finland and is a fairly new bank in the finnish banking industry. S-ryhmä's business differs from other finnish companies as it is based on cooperation and customer ownership and this

provides S-Pankki with an excellent opportunity to co-create value with their customers by involving their customers into their brand development process. Through an interactive dialog and discussion with their customers, S-Pankki can better understand what are the real sources of value and innovate accordingly by creating disruptive brand innovations. By genuinely involving S-Pankki's customers into their brand development process the brand can shape a meaningful customer value-proposition as they have a continuous dialogue with their customers and a deep understanding of their needs. (S-Pankki 2015.)

1.1. Research purpose and goals

The purpose of this thesis is to describe the brand development process in the age of digital disruption and to find out what are the terms of success in this process. The view to brand development in this thesis is a mix of theory and practice as theoretical research is combined with the research results of the case company interviews to create a comprehensive and elaborated understanding of the process. The research problem is framed as following:

How to develop a meaningful banking brand in the age of digital disruption? Case S-Pankki

The core purpose of this thesis is to find a solution to the research problem and this result is intended to be achieved through three goals, which are:

- 1) Develop the disruptive brand development process framework
- 2) Define the problem areas in S-Pankki's brand development
- 3) Develop S-Pankki's own disruptive brand development framework

The first goal is to develop the disruptive brand development process and to describe the different elements of successful brand development in the age of digital disruption. The framework is developed using different best practices from marketing, strategy, design and entrepreneurship as it is a interdisciplinary hybrid model that attempts to meet the challenging demands of digital brand development and serves as a brand development concept for the case company.

The second goal is to define the key problem areas that S-Pankki faces in its brand development endeavours by analyzing material provided by the case company and its consultancy firm D11Helsinki. These problem areas serve as a basis for the creation of the interview themes and questions for the qualitative research part of the thesis and provide deeper knowledge of the situation of the case company.

The third and final goal is to reflect the research results to S-Pankki's brand development process and to create an elaborated version of the disruptive brand development process for S-Pankki. This is done by examining the empirical research material which is gathered by conducting interviews from S-Pankki's marketing management and important employees involved in the brand development process.

The findings and insights from the interviews are then used to further develop S-Pankki's brand development process to meet the requirements of the age of digital disruption.

1.2 Research method and approach

Brand development in the age of digital disruption is an ongoing process within a turbulent context and therefore requires a lot of adaptation and constant innovation of the process. This means that the phenomenon requires an in-depth understanding of the research subject and qualitative research suits well as it generates new insights on how things function in genuine business contexts and why do they function that way providing a thorough knowledge of the research subject. (Eriksson & Kovalainen 2008: 3). The research method is case study and the process of brand development is studied in the context of the chosen case company S-Pankki.

The case study method fits well with the research as its emphasis is to produce an abundant and holistic understanding of the research subject based on the empirical analysis of the different sources full of context-specific information. The case study method can be divided into intensive and extensive case study research and this study represents an intensive case study as the main focus is to comprehend and examine the case "from the inside" and build an understanding from the point of view of the people involved with the case company. The intensive case study research is able to develop theory but the primary concern is the case itself as an ideographic and configurative unit of analysis. The case study research process can be characterized as an ongoing dialog and interaction of empirical data and theory and a classic challenge of the

method is to demonstrate the connection between the empirical findings and the theoretical ideas in a way that inspires the study's readers to learn and adapt decision making. (Eriksson & Kovalainen 2008: 117-119, 121.)

The research approach used in this study is constructivism which is one way of executing the chosen case study method and it aims to find solutions to real-life problems producing valuable new information on the applied scientific field. The core concept of the constructivist research approach is to produce a novel innovative construction which solves actual real world problems and is tested in practice. This requires a close relationship and teamwork from the researcher and the members representing the case company in order to generate experiential learning for both parties and sometimes the intervention of the researcher is explicit and intensive. The constructivist research approach requires a thorough connection to the existing research knowledge and it is essential to reflect the empirical research findings carefully back to the theory. (Lukka 2001.) This research seeks to build a functional brand development process framework for the case company to meet the challenges set by digital disruption and this way produce valuable new insights for both the case company and the current brand development research literature.

Action research is another research approach that is used in this study to reach the second and third goals of the thesis which include defining the problem areas in S-Pankki's brand development and developing a functional brand development framework for S-Pankki. Action research is a common term for research approaches which seeks to influence the subject of the study through an intervention of practice combining action, reflection, theory and practice. Action research's main goal is to generate practical knowledge and understanding of the research subject to solve real-world problems. Successful action research is an evolutionary process where people and communities build new and deeper forms of understanding and novel ways to create knowledge as action research is emancipatory renewing old rigid practices. (Eskola & Suoranta 2005: 126; Reason & Bradbury 2001: 2.)

The practice of action research is hands-on as it is implemented close-by and it isn't objective as the researcher aims to influence the research subject himself. Action research includes five distinctive characteristics and the first and central one is emergent developmental form of the research which is in relation to the other four characteristics that are human flourishing, practical issues, knowledge-in-action and participation and democracy. (Eskola & Suoranta 2005: 127; Reason & Bradbury

2001: 1–2.) The action research approach also serves well the purpose of this study as the goal is to construct a practical real-life framework as well as develop company practices through interaction with the case company and gradually build knowledge of the case context.

1.3. Research structure and framing

The purpose of this research is to describe how to develop a meaningful banking brand in the age of digital disruption for the case company S-Pankki. The theories are studied from the perspective of the company and the research method and approaches used are case study, constructivism and action research. The thesis is based on multidisciplinary research literature and empirical research material that are gathered during the making of the thesis.

The research consists of seven main chapters. The introduction chapter describes how digitalization is a disruptive force for many industries and companies have to constantly innovate themselves and their brands in order to cope with this fast changing business environment. It also describes why the subject of this thesis is relevant and introduces the purpose, goals, method, approaches, structure and framing of the study.

The second chapter starts by describing the digital disruption as a cataclysmic force that drives change across industries and discusses the phenomenon in the context of the banking industry. This digital transformation requires a new way of brand management and the chapter emphasizes the importance of a clear brand vision. Next, the chapter introduces the brand identity prism which gives a comprehensive overview of the brand identity and what elements does the brand include. After describing the brand identity prism, the chapter introduces the virtuous cycle of innovation where old product lines finance the new lines which provide innovation to the brand and depicts the ongoing iterative nature of the brand development process.

Radical innovations born in the intersection of different disciplines and this is why the second chapter continues by taking an interdisciplinary approach and looks into different innovation best practices. These best practices are then combined into a disruptive brand development process framework that serves as a theoretical basis for the analysis of the case study. The second chapter ends by bringing up brand

development challenges in modern banking by describing the banking industry's digital challenge and what kind of strategical challenges they set for S-Pankki.

The third chapter describes the research methodology including the case study as the research method and constructivism and action research as the research approaches. The chapter then explains the basics of the semi-structured theme interview which is used as the interviewing method in the thesis. The chapter also regards the implementation of the interviews and the analysis of the research results.

The fourth chapter goes through the results of a rigorous analysis of the empirical research material. The chapter starts by presenting the results of the preliminary task of the interviews and then moves on to discuss the findings and insights of the two themes that were chosen for the interviews. The chapter moves on to developing S-Pankki's brand development process further and it does this by building a roadmap for S-Pankki's digital development and developing a practical framework for S-Pankki's brand development. The chapter concludes with reflections and observations that emerged during the interviews and summarizes these thoughts by discussing the validity and reliability of the research.

The fifth and final chapter summarizes all the findings of the previous chapters by going through the three different goals and their conclusions. After presenting the final conclusions based on the findings from the empirical study, the chapter gives suggestions and implications for future research on the subject of the thesis.

The framing of the thesis is the following:

- 1) Management perspective
- 2) Brand development as a continuous process
- 3) Value innovation
- 4) Banking industry

The thesis limits to studying the concepts from the company's management perspective as the process of brand development is a key part of the company's strategic management and the brand acts as a powerful tool to lead the company.

The second framing of the subject concerns the process of the brand development process. It is essential to understand the brand development process as an iterative

continuous cyclic process which requires constant input from the company to develop and innovate the brand forward.

The third limitation concerns the term value innovation which is considered as the primary source of branding innovation in the thesis. This limitation facilitates understanding the concept of brand innovation in the brand development process.

The final limitation is the context of the banking industry as S-Pankki operates in the finnish banking market. This limitation is necessary as it eases the examination of the case company and helps to limit the phenomenon of digital disruption into the context of one industry.

1.4 Case company introduction: S-Pankki

The case company of this thesis is S-Pankki which is a commercial bank owned by S-ryhmä and LähiTapiola-group. S-Pankki provides services in daily finances, savings, investing and project funding for its customers and these services are especially targeted for S-ryhmä's and LähiTapiola-groups customer owners. Customers who own the S-Etukortti get the best customer benefits including a combination card, checking account and bank ID for free. S-Pankki serves it's customers in their daily financial issues in S-ryhmä's and LähiTapiola-groups offices and S-Market's checkout counters throughout Finland and they have 100 bookable S-Bankers that deal with bigger financial decision such as mortgage and investments. S-Pankki also has a mobile application called S-mobiili and customers can access their bank accounts through the application, via online bank or their telephone service. S-Pankki's funds and wealth management services are provided by it's subsidiary FIM and S-Pankki's ownership is divided between S-ryhmä who owns 75% and LähiTapiola-group who owns 25% of the bank. (S-Pankki 2015.)

2. BRAND DEVELOPMENT IN THE DIGITAL AGE

"It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change" - Charles Darwin in *the Origin of Species*, (1809)

This chapter starts with an introduction to the subject of digital disruption which is the key theme of the entire research giving a necessary overview and essential factors in the subject. Next the chapter moves to new strategic brand management and brings up important aspects of modern brand management including brand vision, the brand identity prism and the virtuous cycle of innovation which depicts brand development as a continuous process where old product lines finance new innovations which in turn reinforce the brand. After establishing the basic concept of brand development the chapter dives into different best practices from strategy to entrepreneurship to accumulate a holistic understanding of how to outrival competition and win in the marketplace. These best practices are then combined into a framework that helps companies to develop their brands and tackle the emerging competition brought by digital disruptors. The chapter concludes by discussing the digital challenges faced by the banking industry and what kind of strategical challenges this sets for the case company S-Pankki.

2.1 Digital disruption

Disruptive innovation has been the buzzword of innovation discussion since Clayton Christensen published his seminal work on Innovator's Dilemma in 1997. Christensen examined the failure of well-managed companies to sustain their leading position in their industries when the businesses encounter a specific type of technological and market shift. Despite all their efforts of being competitively aggressive, customer-focused and innovative in investing to new technologies, these companies lose their dominating market position in all industries from fast-moving to the slower ones. Christensen's research results show that *good* management is the main reason for decline of these top companies as they have listened to their customers and examined market trends too precisely and made investments to new technologies consistently according to market studies. This result suggests that the current common practise and principles of good management are only momentarily valid and there are times when it is wise not to listen to the consumer, invest in emerging low-performance products

that provide low profit margins and to proceed to marginal markets instead of major markets. (Christensen 2011: xi-xv.)

Good management leads to investments in sustaining technologies and innovations which develops the performance and quality of existing products in the way the mainstream consumer wishes. Once in a while, *disruptive technologies* rise which are innovations that produce weaker product performance in the short-term but according to Christensen's study, eventually results in the demise of the market leader company. Disruptive technologies have a distinctively different value proposition compared to the previous ones and while underperforming in the mainstream markets, they have other lucrative new features that resonate with new customers capturing the low end of the market. It is typical that disruptive technologies are less expensive, more simple to use, smaller in size, easier to use than the dominant sustaining technology and they open up new markets. The founders of disruptive technologies keep improving their products until they catch up and eliminate the old competition by delivering the enough amount of product performance on the old features adding a couple of new ones at the same time. Thus, the innovator's dilemma depicts the process of how disruptive technologies substitute older ones and the power inside well-managed companies that inhibit the creation of disruptive innovations. (Christensen 2011: xviii, 264.)

Christensen's work on disruptive innovation concerns physical markets where cheaper and more convenient products incrementally move upmarket and take down the old competition. This process of traditional and physical disruptive innovation usually takes many years or even decades to happen and requires a significant amount of resources to succeed. The development of digital technologies is changing this and digitalization has dramatically lowered the barriers to market entry for new businesses in every industry increasing the disruption power of new competitive ideas and startups. (McQuivey 2013: 8-9.)

James McQuivey (2013) has examined the concept of *digital disruption* which is the force that can disrupt every aspect of a product, service or process in any given industry. The disruptive power of digital disruption amplifies as it can happen to both physical and digital industries because "digital disruption happens *to and through* digital things". Digital technology has accelerated the growth pace of new disruptive technologies and digital disruption is a much bigger threat to leading companies as digital disruptors aren't constrained by the lack of capital, information or other

resources. Digital disruptors are able to pursue all kinds of new ideas and reach their target audience within a couple of days to test their initial idea and value proposition. This total evaporation of entry barriers creates a substantial amount of innovation power to the marketplace and McQuivey estimates that there is one hundred times more innovation power than before. This prudent estimate is based on the assumption that there are ten times more innovators bringing ideas to markets due to the easy access of free platforms and digital development tools and the average cost of developing and testing a business idea has decreased to 10% per idea. The cumulative impact of digital disruption is enormous and it is causing a profound change in customer's lives. (McQuivey 2013: 3, 7-11.)

McQuivey provides three pieces of advise how businesses can survive in the age of digital disruption. The first one is "adopt a digital disruptor's mindset" meaning that the starting point of innovation is the answer *yes*. This optimism of digital disruptor's wells from the modern innovation infrastructure which includes low-cost tools, free digital platforms and digital native customers. The second one is "behave like a digital disruptor" referring to digital disruptor's completely different way of innovating, building products and model of partnering to bring ideas to life. Digital disruptors use the technique of "*innovating the adjacent possible*" which means that they quickly add adjacent features to their products, testing feature after feature according to customer feedback creating a disruptive total product experience with added digital enhancements. The third one is "disrupt yourself now" which calls for action to disrupt the whole organization and corporate culture in every department and silo involving every employee to the process. Companies need to evaluate their digital readiness to define the right way to digital disruption and through these three steps businesses can achieve their own disruption and be more prepared in the world of digital disruption. (McQuivey 2013: 14-15.)

Digitalization is affecting consumer behaviour and marketing practice by altering consumer's perception of the self as digital technologies are essentially redetermining the roles of businesses, consumers and society. The following examples implicate that digitalization is redefining the old boundaries and shaping the way customers interact with companies by raising the bar for businesses in the global marketplace. (Hendrix 2014.)

The first one is "driving out latency" which means that companies use data to remove shopping frictions and consumers have an increased visibility of available products

and prices in stores. As a result of increased smartphone and mobile app usage, the power has shifted from companies and retailers to customers. The second one is "Internet in our pockets" which is the observation that due to almost ubiquitous Wifi and internet connection, wireless consumers are forever connected and it is hard to draw a distinctive difference between online and offline. The third one is "Luke Wroblewski's theorem" which states that: "Any product that can be connected to the Internet will be, raising the "digital IQ" of products from thermostats such as Nest to bathroom scales, running shoes, cars, and more". The fourth one is that word-of-mouth emerges as a social currency as social media platforms have become "liquid" referring to the uncontrollable nature of word-of-mouth and the skill to manage this new social currency becomes critical. (Hendrix 2014.)

The fifth one is "algorithms rule" which refers to the massive explosion of data from different sources and utilising big data and championing machine learning have become necessities of survival for brands. The sixth one states that "consumer experience matters" as product and service design has been uplifted to a form of art and science by such companies as Apple and Samsung. There is a large gap between visionary brands and the laggard ones and the standard customer experience isn't good enough. The seventh one is agile marketing as marketing professionals are using experimentation and agile methods to cut cycle times making smaller bets and quickly adapting to constantly changing competition. (Hendrix 2014.)

The eighth one is digital signals which means that companies are capturing and utilizing customers digital traces to profile them and replace traditional geo-demographic segmentation. This implicates that the skill of mining these digital signals and discovering relevant patterns from all the excessive noise is a crucial capability. The ninth one is "the world is an auction" which refers to the enormous auctions that take place behind marketplaces like Google Adwords which are expanding to every digital media boosted by real-time purchasing and demand platforms. The final example is quantified self which is fueled by digital technologies such as activity trackers which enable individuals to capture and track their health data and harness this information to live a healthier and more sustainable life. (Hendrix 2014.)

These ten examples are one perception of how digitalization is changing consumer behaviour and the way marketing is conducted and increasingly focused around technology. These examples are also a part of a larger digital disruption caused by new

emerging technological trends such as mobile, wearables, big data, cloud computing, internet of things, smart home, 3D printing, marketing technology and cryptocurrencies which are all changing the way of business and marketing and driving an aggressive change in customer behaviour. A lot of industries are experiencing a paradigm shift caused by this digital disruption and many industry analysts have observed that the banking industry is the next target of digital disruption.

In the age of digital disruption, brands need a clear vision of how they are going to stay relevant in the long-term and figure out a way to provide superior value to their customers. New technologies and startups emerge at a growing pace and banks have to keep up by adapting the mindset of the disruptors and by constantly innovating and challenging everything from marketing management to the core business model. Digitalization and the internet have empowered customers by giving them access to an endless amount of information and brand management has to address and adapt to this revolution by realizing all the possibilities of this technology. (Kapferer 2012: 134). All these changes call for a new way of strategic brand management where a strong vision and continuous innovation are key drivers of brand management.

2.2 New strategic brand management

Everything is changing more rapidly and at a higher pace than yesterday and this is the case in marketing as well. Modern brand management has to cope with a growing number of challenges and the new rules of the game are not carved into stone as the only thing that is for certain is that everything will change more rapidly than yesterday. In this accelerating economy of change companies and brands have to conform with the change and adapt their processes to keep up with the competition. Innovation is the result of a constant search and curiosity for new things and it is the power that energizes brands in the long-term and keeps companies relevant in the eyes of the consumers. In the 1990s companies understood that brands should be perceived as an asset and ever since they have been treated as such by nurturing and reinforcing them continuously with intangible additional values and tangible innovations through strategic brand management. (Kapferer 2012: 121).

Kapferer (2012: 121) has defined the 10 key principles of strategic brand management and the first one is that every brand should have *a powerful intangible component, a big idea or vision* which is driven by the urge to change the customer's life. The

second principle is to take good care of all sub-brands and variants of the parent brand in order to nurture them properly. The third one encourages to be a categoryleader who is passionate about increasing the standards of the companies category and the fourth principle is to maintain the brand with a *continuous flow of innovations* of products and services which are aligned with their positionings. The fifth principle advises the brand to *create immediate ties with the end customer* to deepen the relationship and attachment between the customer and the brand which is especially important in trade markets where trade brands have become strong challengers for the more established brands.

The sixth principle suggest the brand to deliver personalized service for the customer and the seventh one to reward customers' loyalty and commitment and making them passionate and enthusiastic ambassadors and promoters of the brand as word of mouth is the real mark of success. Reichheld (2006: 73) study also validates this principle as his research has indicated that the rate of promoters within the customer base correlates directly with the growth rate of the brand. The eighth principle encourages the brand to spur and inspire customer communities that share the same values as the brand and the ninth principle challenges both the brand and it's products to rapid globalization. The tenth and the final principle is about responsibility as sustainability has become the new requirement for successful businesses and more and more brands have to take into account the collective benefits of the global community.

The implementation of the above mentioned branding principles has been challenged as brand building faces four different stumbling blocks. The first one is the question if there are any longer durable and meaningful differences between products and services? The second question is if there is still free shelf space left for brands in supermarkets as trade companies are pushing forward their brands. The third question is about mass media and does it take into account the growing fragmentation of customer segments and the rising use of the internet? The final stumbling block is if there are any brand loyalists left as the rising rate of promotions is making customers much more sensitive to price, more opportunistic and less committed. (Kapferer 2012: 121.) These roadblocks lead to the subjects of growing digitalization and the consumers quest of finding more meaningful and genuine brands as companies brand vision becomes ever more important.

2.2.1. Brand vision

Competition is getting harder and harder as the source of companies long-lasting strategic competitive advantages are limited and their lifespan is getting shorter. Brands are one of these long lasting advantages and managers acknowledge that the utmost type of loyalty is brand loyalty. Many companies that have formerly based their success on product brands have also decided to build a corporate brand to facilitate the impact of their actions, missions and values and channel their chosen added values to customers. (Kapferer 2012: 1.)

In the advanced consumer society, excessive hyper-consumption produces emptiness and this creates a demand for more meaningful brands. Brands have to become cultural masters that promote an ideal and target this emerging demand for more meaningful brands. Changing society creates new social fractures and states and this generates new possibilities for meaningful brands that address a more profound meaning, an ideology that resonates thoroughly within the brand's target group. (Kapferer 2012: 160) In today's materialistic society customers want to consume more meaningful products and services which tell a story about their buyers and position their consumption on different levels of intangible values that provide this desired meaning. This explains the cult of luxury brands and cultural champions like Nike and Apple and it's necessary that brands have content that express and communicate this culture and companies have to compete with their values and not just with market share. (Kapferer 2012: 1.)

Brands express companies' long-term visions and every brand should have their own particular angle on the product category. Leader brands hold a specific position in the market within their product category which energizes the brand and nourish transformations which help the brand's products to match with the brand's ideals. The brand ideal justifies the brand's very existence, why it's operating on the market and offers a manuscript for the brand's life cycle. Brands gain strength from their financial and human capital but they receive their true energy from their *vision and brand ideals* which are driven by an intensive internal motivation. A lot of banks have addressed this by putting forth an image where they are close to their customers and offer high-performing products and top quality customer service. These features are easy to measure when measuring conventional customer satisfaction but the important question is what vision do they represent? Some banks have defined their purpose as "to change people's relationship to money" as others remind that money is just a

"means towards personal development". Many banks have started to re-define their purpose and the reason to their existence which is something every bank will have to do in the future. (Kapferer 2012: 32.)

Successful brand management requires a strong vision and belief of what is the right path for the brand and this can only be achieved through inspirational leadership. Simon Sinek (2009: 37-39) has identified a pattern with inspirational leaders who think, act and communicate in a recurring way. This pattern is the concept of the Golden circle where everything starts with the question why and great leaders inspire action by answering this fundamental question. The three questions in the Golden circle from the inside out are why, how and what and inspiring leaders understand the importance of this question as it justifies the very existence, belief and purpose of the company. Most companies and business leaders act, communicate and think from what to why and this separates inspirational companies and leaders from them as they do this in the opposite way. All companies know what they do and most companies know how they do it but few companies are able to explain clearly why they do their business or even why does their company exist. (Sinek 2009: 37-39.)

There is also a biological explanation for the Golden circle as the questions how and why affect the limbic part of the brain which controls the feelings and the decision-making part of the human brain. The limbic brain affects consumers gut decisions and customers buy the products and services which "feel" right as the limbic brain is a powerful driver of decision-making which sometimes contradicts with rational thinking. (Sinek 2009: 56-57.)

A Strong vision powers entire companies and enables businesses to grow beyond their competition. This company vision can also be called a *brand ideal* which is the key concept of Jim Stengel's "ideal tree"-framework which is based on a ten-year growth study including 50,000 brands from around the world. Brand ideal is a company's shared goal of making people's lives better and the quintessential reason for existence for the company. A brand ideal answers the most important question, why, and it is the only durable way of recruiting, uniting and inspiring people and all the stakeholders the brand interacts with. It is the only force that connects people's core beliefs inside a company with the key human values of the customers the brand serves and thus without a brand ideal, no company can truly prosper. (Stengel 2011: 7-8.)

The Stengel study has four fundamental discoveries and the first finding is that "brand ideals drive the performance of the highest growth businesses". The second finding is that these brand ideals are centered in one of the five fields of core human values which are eliciting joy, enabling connection, inspiring exploration, evoking pride and impacting society. The third finding is that the highest growth companies are lead by business artists and leaders whose main means of communication is brand ideals. The fourth finding is that business artists distinguish themselves in generating and maintaining high business growth by discovering or rediscovering a specific brand ideal in one of the areas of core human values, building their business culture around this ideal, communicating this ideal both internally and externally to engage people, delivering an almost perfect customer experience and evaluating business development and employees against this ideal. These five steps are also the foundation of Stengel's brand ideal framework, "The Ideal Tree", which is a way to leverage a brand ideal and to enhance business growth. (Stengel 2011: 37-59.)

Delivering a near-ideal customer experience was the fourth must-do in the ideal tree framework and the way to enable this is through five steps and the first one is to start with the ideal as a powerful brand experience and the innovation behind it start with a higher objective the brand aims to fulfill. Making innovation personal is the second step as it takes more than grey clinical research data to create a rich customer experience and the brand management has to experientially empathize and understand their customers lives and needs. Wide collaboration is the third step as brands need to approach their brand experience innovation outside the box and with unusual and unexpected collaborators to get a broader and a richer view of their experience. The fourth step is to have a portfolio of innovations as the right mixture of different kinds of innovations improves the brand experience and a combination of robust ready-to-use and raw future-orientated innovations enables volume provides fuel for the long-run. The final step is to establish a process of innovation which is iterable and teachable and provides structure for the brand experience innovation work. This last step facilitates the innovation process as everyone in the company have a common understanding and criteria of how to further develop and make decisions concerning the innovation portfolio. (Stengel 2011: 251-255.)

Established brands can be paralleled to a pyramid which is depicted in figure 1. The top of the pyramid expresses the brand's vision and it's purpose which encapsulate the very essence and the idea of the product the brand desires to create and the values that are expressed with a slogan if possible. The next level of the pyramid states the overall

style of the brand communication as the transition of the brand personality is depended on the manner of how it is communicated. It is important that the brand's personality reflects its own individual character and the brand personality codes are not solely a reflection of the brand's creative teams efforts. The third level of the pyramid depicts the brand's strategic benefits and attributes from which four to five are prioritized. The bottom level of the pyramid is the product level where different model's are positioned to their segments. (Kapferer 2012: 33-34.)

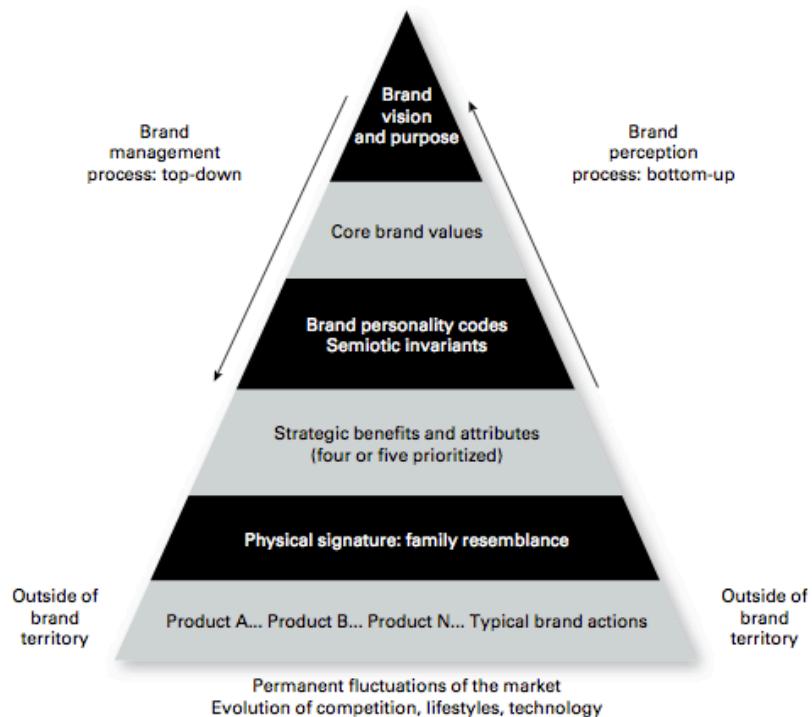


Figure 1. The brand system (Kapferer 2012: 33)

The problem with the pyramid is that customers look at the brand from the bottom-up and they begin with that which is tangible and real. The wider the base of the pyramid is the harder it is for the customer to realize that all the brands products come from the same concept and have the mutual brand essence. The brand management is the opposite to the customers perspective as it starts from the top-down by defining the product concept according to the brand vision. (Kapferer 2012: 34.) This conflict of perspectives can complicate the perception of the brand and the brand management might have a very different view of the brand as their customers. This might prohibit the transmission of the brand vision to the customer and the tangible attributes at the bottom of the pyramid are the only ones that reach the customers. However, a truly powerful brand vision is something that penetrates the whole organization and

resonates throughout the brand pyramid creating a solid basis for management and development of the brand identity.

2.2.2. Brand identity prism

Brands offer innovations purpose and meaning and customers usually evaluate innovations in relation to a particular brand. Successful brands capitalize their innovations by using them to enhance their brand meaning and to create the important brand resonance. These brands manage to put in line all the details of their brand identity and through synergy they will leverage the brand's values. A brand can thus be seen as a prism which helps the customer to interpret the brands products by determining what and how much to anticipate from the products which carry the brands name. (Kapferer 2012: 45.) Brand identity consists of six facets and this hexagonal system is called the brand identity prism which is depicted in figure 2 below.

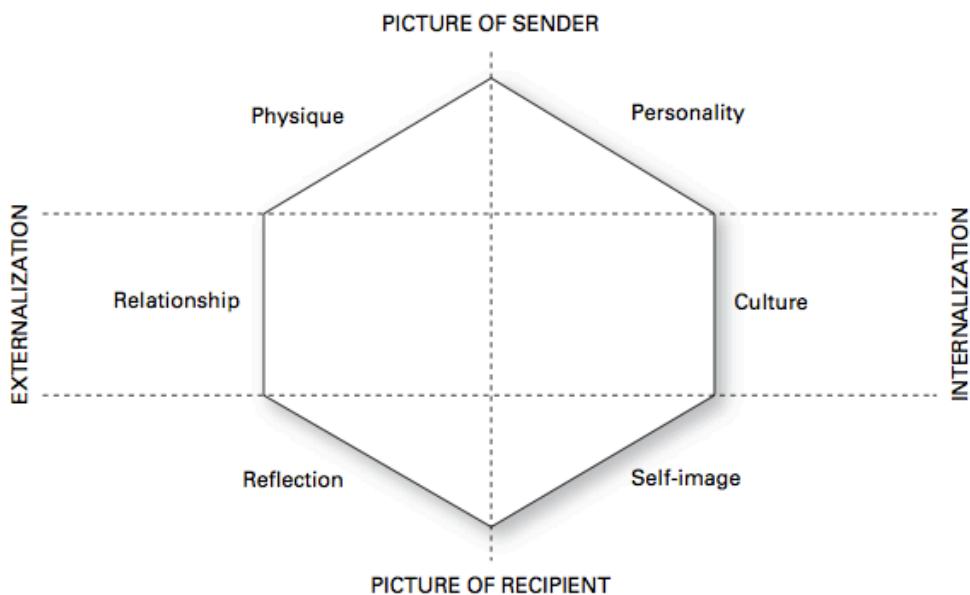


Figure 2. Brand identity prism (Kapferer 2012: 158)

The first facet of brand identity is the brand's physique as brands have physical qualities which are a combination of salient objective characteristics and progressive features. The brand's physique is at the same time the backbone of the brand and the palpable added value as the initial step in brand development is the definition of the brand's physical aspect. The brand's physique defines what the brand is concretely,

what does the brand's products do and how do they look. The brand's physique also encompasses the brand's "prototype" which is the flagship product that represents the brand's qualities and is the prime example of the brand's product. A lot of brands have encountered problems with their physical facet as their functional added value is poor. Even a brand that is only image-based has to provide material benefits and brands can thus be seen as "two-legged value-adding systems". (Kapferer 2012: 158-159)

The second facet of brand identity is personality as the brand incrementally builds up its character through communication. By communicating, the brand establishes its personality and the manner in which it speaks about its products and services reveals what type of person would the brand be if it were a real human being. Brand identity is the personality facet of the brand in the brand identity prism and brand personality is measured and characterized by human personality qualities that are pertinent for brands. Brand personality fills up a psychological function by allowing customers to identify with the brand or project themselves into the brand. Brand personality is a main source of inspiration for the style of advertising and it has been a major focus point of brand advertising ever since the 1970s. A number of advertising agencies have determined brand personality as a basis of all types of communications and this is why so many brands have a well-known character that represents their brands personality. The easy way for brands to create personality is to hire a spokesperson who promotes the brand or create a fictional character like who appears in the company's ads. (Kapferer 2012: 159)

The third facet of the brand identity prism is culture as a brand is a culture. Powerful brands are visions of the world and much more than mere product benefits or personality traits. Powerful brands are an ideology and the cultural facet of the brand renders this explicit. The cultural facet is the paramount aspect of brand identity as remarkable brands are not only powered by their culture but they disseminate their culture to their customers. The cultural aspect is key to comprehension when examining similar brands in the same category as many brands are engaged in a cultural battle with each other. There is a linkage between culture and cult as some "cult" brands have achieved their cult status with their ideology by answering a certain social sub-group's crisis. Shared values, causes, ideas and ideals bring people together and top level management has to understand that inspiring ideology is what keeps the customers interested in the longer term and is what differentiates the brand from competition. The cultural aspect of banks' identity relates to their particular vision of money as their ideologies differ from one another. This is the reason why banks can't

address all of the potential customers and their ideology will resonate widely with some customers and in turn drive off others. (Kapferer 2012: 159-160.)

The fourth facet of the brand identity prism is relationship as brands are many times in the very center of interaction and transaction between people. The relationship aspect of brands is especially valid in the service sector and vital for banks and banking brands as "service is by definition a relationship". This aspect of brand identity prism determines the way of conduct that differentiates the brand from others as it has numerous implications for how the brand behaves, delivers its services and connects with its customers. (Kapferer 2012: 161-162.)

The fifth facet of the brand identity prism is customer reflection and when customers are asked about their perceptions of specific brands they instantly answer according to the brand's perceived customer type. Brands take time to establish their communication and their staple products and they have a tendency of constructing an image or a reflection of the customer that they appear to be targeting. However, often the reflection and the real target get mixed up as the target portrays the brands potential customers and reflecting the customer is not the same thing as depicting the target customer. Customers ought to be reflected as they wish to be perceived when using a certain brand and this provides a model to identify with. This confusion between target and reflection is recurring and problematic as managers demand advertising to portray the targeted audience as they are instead of showing them as they wish to be seen when buying a particular brand or shopping at a specific retailer's. Customers build their identities using brands and this benefit is a significant way for brands to create value for their customers. (Kapferer 2012: 161-162.)

The sixth and final facet of the brand identity prism is self-image which is the target customer's own inner mirror. Through the customer's attitude for a given brand they build a specific type of internal relationship with themselves which influences their purchasing behaviour. When customers choose to promote their chosen brand they pledge loyalty by showing a community of thought and their self-image which eases and excites conversation with other customers and the brand. The sixth facet along with the other five facets described earlier determine the brand identity of any given brand as well as the boundaries in which it's free to transform and evolve. The brand identity prism indicates that all of the six facets are interconnected and form a well-organized ensemble as the facets resonate each other's contents. (Kapferer 2012: 162-163.)

The foundation of the brand identity prism originates from one fundamental idea which is that brands have the ability to speak and they can only manage to exist if they are able to communicate. Brands talk about the products they have created and promote the products which embody their essence and they can be analyzed as a form of speech or communication. A message always has a sender and despite if the subject of communication is a product or service the communication constructs an image of it's orator and facilitates the message to the receiver. Brand communication is indeed a building process as brands have no actual senders such as corporate communication has and the personality and physique facets of the brand identity prism facilitate the definition of the sender fabricated for the specific purpose. All communication also develops a recipient who is the target audience of the communication and the self-image and reflection facets of the brand identity prism facilitate the definition of who this recipient is. The relationship and culture facets of the prism help to reduce the chasm between the sender and the recipient of the brand. The prism divides vertically into two as the three facets on the left (relationship, physique and reflection) are the visible, social facets that issue the brand it's outbound expression and the facets on the right (self-image, personality and culture) are the intrinsic facets of the brand which are encompassed within the brand's soul. (Kapferer 2012: 163.)

Brand identity projects the various facets of a brand's long standing particularity and desirability and thus it has to be brief, rigorous and exciting. Strong brand identity prisms are characterized as having only a couple of words on every facet, all facets have different words and all the words are powerful and meaningful as a brand's identity is what enables it to stick out from the crowd. Weak brand identity prisms have their facets full of image qualities that stem from the latest attitude and usage survey and there is redundancy in between facets as the same terms are used more than once. Mixing up different facets decreases the distinctiveness of the brand as each aspect of the brand identity prism represents their own unique dimension of the brand. Another problem is that most of the terms look for consensus and not edginess and customers want an inspiring brand that stands out of the crowd instead of being a greyish me-to brand. (Kapferer 2012: 164.)

2.2.3. Brand development

Continuous innovation is an essential theme for businesses and brands as it is the ability to regenerate the company by developing new products and services and it provides a long-lasting source of competitive edge. Innovativeness means being

successful in new product launches and developing new business models but it is also the proficiency to learn from past mistakes and terminating unsuccessful projects before major loses. (Steiber & Alänge 2013: 245-246.)

Cole (2002: 1056) explains continuous innovation as a “probe-and-learn” process which is “an experimental iterative process that operates successively to solve problems in markets characterized by turbulence, uncertainty and complex interactions” which makes it suitable for furthering innovation and discontinuity. Boer and Gertsen (2003) propose that continuous innovation consists of three core components which are innovation, learning and continuous improvement as Pasche and Magnusson (2011: 257) describe it as an “ongoing interaction between incremental improvement and learning, and more radical innovation and change”. Steiber and Alänge (2013) studied Google’s innovation process and found out that Google’s organizational solution can be characterized as a “dynamic and open corporate system for innovation, in which innovations take place in regular work.” The distinctive organizational features of this system of continuous innovation are a change-prone and innovation-focused top level management, board and company culture as well as dedicated and capable employees who are driven by passionate leaders. These leaders inspire their employees with coaching, removing roadblocks of innovation and by empowering their workers. Other significant organizational attributes of continuous innovation are a constant learning process, a semi-structured, ambidextrous organization, innovative P&I systems and open innovation. (Steiber & Alänge 2013: 246.)

Google’s example demonstrates how continuous innovation can be embedded in the organizational DNA and what characteristics promote innovation. Continuous innovation is also a vital ingredient of brand development as innovation is the force that brings new blood to the brands circulation system in the form of new customers, new values and new meaning to the brand. There is a virtuous ring between new and old product lines and this circle maintains the brand’s significance in the long-term and old lines generate profits which fund new product lines launches. Old product lines have to be readjusted with the brand’s new position which immediately supply R&D and the search of promising new innovations. New innovations and extensions have the halo of modernity effect for the brand but in addition to that they can boost the selling of old product lines. Thus, old lines finance the new ones and new lines bring a halo of modernity effect to old lines and this is the reason why advertising budgets should not be divided by their sales weight. (Kapferer 2012: 204)

Brand management is a constant balancing act between conservation, reformation, extension and progress of the current product and at the same time the creation of novel products and services that establish new contexts of use and expand the brand to new segments. This brand management act can be seen as a continuous *brand development process* where the first section preserves, nourishes and reinforces the brand base as the second part creates openings and spearheads for the future. These new products will eventually become the brand's new core products and this virtuous cycle of innovation is a way of managing brand sustainability through the continuous cyclic process which is depicted in figure 3. (Kapferer 2012: 204-205.)

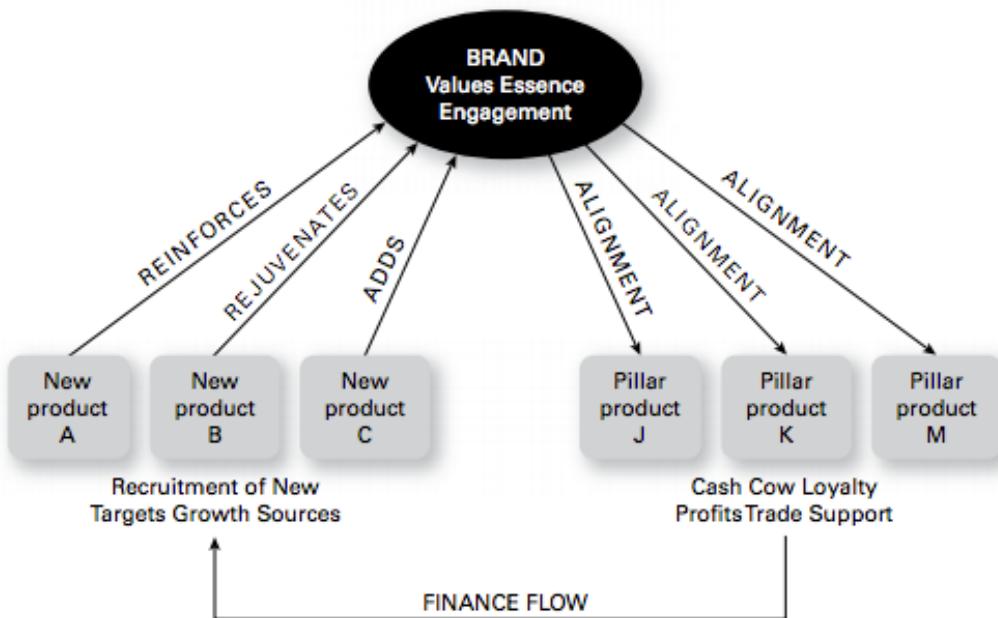


Figure 3. The virtuous cycle of innovation (Kapferer 2012: 204)

Innovation promotes the brand's image and it has an effect on sales through the “spillover effect” which is the effect where one brand's product's advertising has a positive effect on the sales of another product. (Kapferer 2012: 205). The virtuous cycle of innovation portrays brand development aptly as an iterative and continuous process which energizes and renews the brand. New innovative products are at the core of this brand development process and therefore brands need to identify promising new ventures and observe what innovative startups are working on disruptive new products.

Boston Consulting Groups Growth-Share Matrix is a classic strategy framework that is a well-established analytical tool for business leaders worldwide for over 45 years. The idea of the Growth-Share Matrix is to analyze the state of different business units and it can be used to determine which product categories are out-dated and ready for disruption. The matrix can simplify the decision-making process of what unprofitable products and services should be eliminated and helps to design and manage the transition from legacy product lines and legacy business models to new rising star products and disruptive new business models. (Boston Consulting Group 2015.)

The Growth-Share Matrix is a great strategical tool that can be used to understand and crystallize the on-going disruption process inside the company and define the profitability of different business units. It can sometimes be hard to analyze objectively the pace and scale of disruption of a product line or business unit that has a long history and established traditions inside the company. Nokia serves as a perfect example of being unable to build and create enough new disrupting stars to replace and disrupt their mobile phone's division from inside the company. From retrospective, they should have tested much more new product ideas and service innovations by leveraging the innovation power in their startup ecosystem and disrupting and renewing themselves in the long-term. The Growth-Share Matrix depicted below in figure 4 simplifies the business unit and product landscape of companies and helps to crystallize the state of disruption in the companies product portfolio. (Boston Consulting Group 2015.)

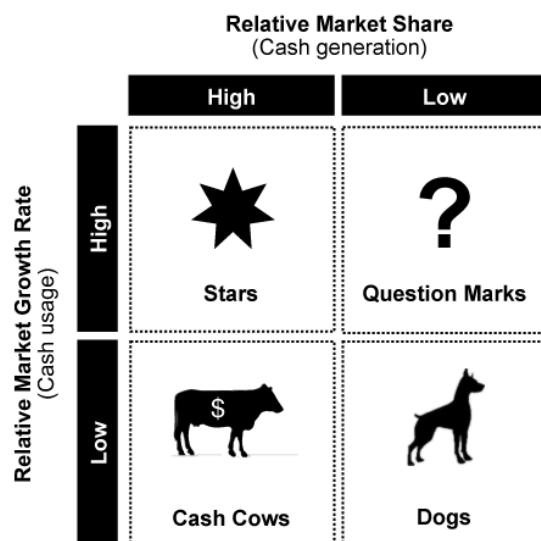


Figure 4. Boston Consulting Group's Growth-Share Matrix (Boston Consulting Group 2015.)

How do incumbent firms establish a virtuous cycle of innovation and create a sustaining flow of disruptive and radical innovations? How does the brand create new products and services that renew and invigorate the brand and maintain the brand development process? Van Rensburg (2013) has examined the concept of strategic brand venturing which can be determined as: “a strategy and capability of venturing with entrepreneurs to access brands and marketing know-how that possess disruptive value”. Strategic brand venturing can take many forms such as external corporate venturing which means equity investments into entrepreneurial businesses, internal corporate venturing which means intrapreneurship and developing new business models. This concept doesn’t mean that the business is outsourcing it’s brand development but instead it is about in-sourcing entrepreneurial brand creativity which is done by supporting and nurturing the brands relationships with external entrepreneurs. (Van Rensburg 2013: 201-202.)

The creation of novel brand innovations inside a large company is hard under a traditional brand management system when compared to passionate brand entrepreneurs being in charge of brand development. Traditional brand managers are rutted to old habits as identifying new opportunities serves as an example: brand managers mainly use market research and analytical research techniques when brand entrepreneurs immerse themselves in new trends identifying consumers needs and market gaps through personal experience and socialization processes. Brand entrepreneurs are closer to their market and receive direct feedback from retailers and consumers and direct ownership combined with a good focus guarantees that this feedback quickly turns into brand improvements. Brand managers are more dependent on formal research techniques to get feedback from the market and this combined with prolonged lead times in larger companies generally mean that iterations to the brand are slow-paced and bounded by the companie’s current capabilities and focus on synergy and efficiency. (Van Rensburg 2013: 202.)

The above mentioned points support the strategic brand venturing as a strategic approach for incumbent companies which choose to do minor investments into potentially disruptive brand ideas that are led by brand entrepreneurs. Strategic brand venturing is one way of answering the demand for ambidextrous management of present brands while at the same time exploring new disruptive brands that are founded by innovative entrepreneurs. Hill and Hlavacek (1972) have previously introduced the idea of having a venture team inside the marketing department to focus on new product development. Strategic brand venturing requires a different kind of

organization than a brand management system or a new product development team as it needs a stand-alone organization that contains a mix of venture capital skills to generate a stream of brand deals and investments into external brands, entrepreneurial proficiency to develop relationships with top entrepreneurs, innovation capabilities and brand marketing knowledge to discover potential brand ideas and refine the best ones into fresh brand innovations and commercial intrapreneurial ability to lead the growing new brands like an entrepreneur. (Van Rensburg 2013: 203.)

Van Rensburg (2013) has discovered 11 dimensions that are vital to strategic brand venturing and the first one is the proficiency to scour the market environment and recognize consumer needs, understand technology and cultural trends and discover promising market gaps or sweet spots that offer strategical opportunities. The second dimension is the skill of choosing the best new businesses and brands that have a wide untouched capacity of creating value for their customers and are in-line with the incumbent firms strategical growth areas. The third dimension is the ability to position the firm so that entrepreneurs find it an attractive partnering alternative compared to other large firms, venture capital companies and private equity businesses. The fourth dimension is the proficiency to comprehend the dangers and benefits that entrepreneurs encounter when they are assessing and choosing their business partner. The fifth dimension is the skill of corporate venturing for reciprocal growth by creating value through equity investments and collaboration agreements. The sixth dimension is the skill of networking and building an ecosystem by creating an active network into the entrepreneurial society and enabling an entry to the deal flow, latest trends and building a reputation in the community. (Van Rensburg 2013: 203-204.)

The seventh dimension is the ability to create internal credibility by ensuring support from top management and other units to secure the activities of the venture department and its ability to carry out internal venture projects and fulfill promises made to entrepreneurs. The eighth dimension is the skill of brand intrapreneurship which is achieved by accessing and repeating entrepreneurial knowledge and learning so that the company advances its venture projects and this is done through close relationships with customers and opinion leader communities, brand building tactics, finding and promoting to opinion leaders, quickness, intuition and flexibility of market entry-strategies and supply chains. The ninth dimension is the brands life cycle management which includes understanding the different phases of brand growth, what are the essential components and requirements of that phase and where does the venture project fit. The tenth dimension is the brands portfolio management which is the skill

of withdrawing potential brands out of the venture program into the core business departments at the right time of their life cycle and at the same time keeping a balanced blend of managerial and entrepreneurial features and securing that the newcomer brand gets a solid part in the category portfolio strategy. The eleventh and final dimension of strategic brand venturing is capabilities and governance as it is important to build an organization that has venturing capabilities and governance functions that have a steady stakeholder support that decreases bureaucracy and encourages action. (Van Rensburg 2013: 204-205.)

Johansson (2006) has introduced the idea of “the intersection” as a concept of creativity for practitioners who combine ideas from multiple fields and calls them intersectional ideas. These intersectional ideas generate radical innovations that are unexpected and interesting as they take leaps into new directions and open up completely new markets. Strategic brand venturing is one example of an intersectional concept as its etiology is located at the fruitful nexus of marketing, entrepreneurship and strategic management as depicted in figure 5 below. (Johansson 2006: 19-20; Van Rensburg 2013: 204, 206.)

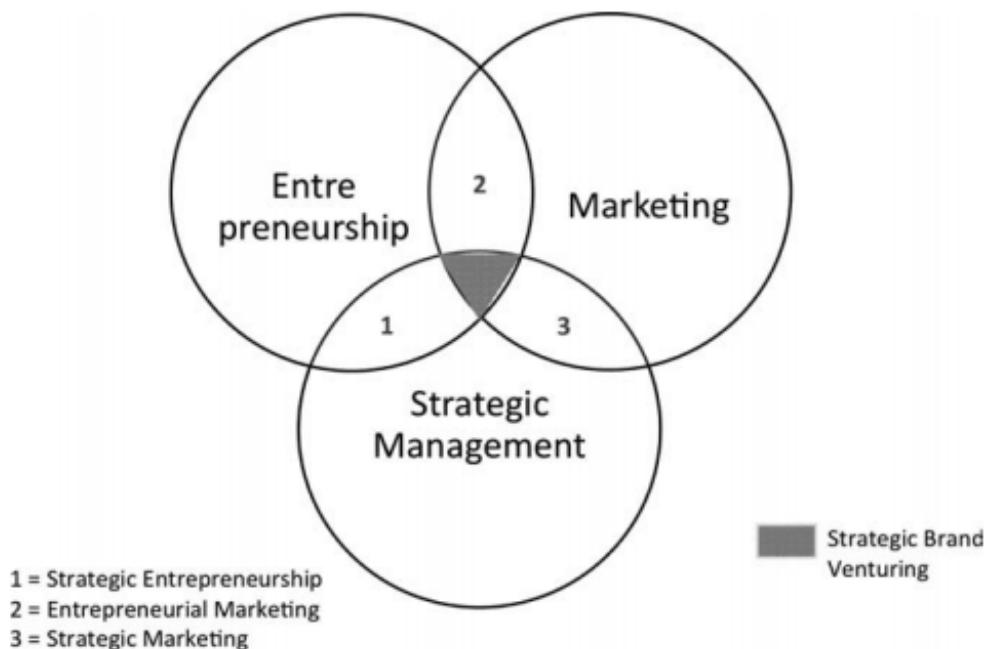


Figure 5. Strategic brand venturing – the nexus of entrepreneurship, strategic management and marketing (Van Rensburg 2013: 204)

Small and lean entrepreneurial brands are in a good position to produce novel brand innovations compared to big companies that usually have problems with innovation and creativity in developing new brands. Large companies are restricted by their stiff legacy systems, their employees often lack the necessary motivation that the brand image would require and they have a brand portfolio which they have to struggle with. The numerous advantages that small brands have in new brand development compared to bigger brands means that large companies should leverage their economies of scale more efficiently, they should simulate entrepreneurial tactics and make partnerships with small business entrepreneurs, founders and brand missionaries in order to gain admission to innovative and disruptive growth brands. (Van Rensburg 2013: 215)

Strategic brand venturing offers several advantages for incumbent brands and it is one prominent perspective for new brand development. This perspective presents an interesting combination of intersection literature and it brings up the the different possibilities and potential combining different disciplines into one conceptual framework. Strategic brand venturing is one prominent way of creating disruptive brand innovations and help incumbent firms establish and maintain a virtuous cycle of innovations which renews and reinforces the brand. Thus, this perspective encourages to further investigate the different literatures that influence the brand development process and it signals of the potential that this kind of intersectional model bears.

2.3. Best practices from marketing, strategy, design and entrepreneurship

Strategic brand venturing was the combination of marketing, entrepreneurship and strategic management but in addition to these, the design management literature is quite fascinating and relevant considering the brand development process and it provides possible insights for the development of the framework. As the above discussed digital disruption is transforming entire industries from banking to taxi services, this fast-paced change requires the evolution of core business models as well as how brands are developed. A disruptive business model is the foundation and requirement of progressive brand development as no marketing campaign can save an outdated business model. A more holistic approach has to be taken in order to develop a functional brand development process and next this chapter will go through a selection of best practices which are assembled from contemporary marketing, business strategy, design management and entrepreneur literatures. This approach

enables to build a comprehensive and robust interdisciplinary framework for the brand development process.

2.3.1 Marketing

Disruptive marketing is a strategical way of eliminating product limitations and market boundaries by letting creativity take a central role in the development process of a radically new vision of the companies products, services and brand. (Jean-Marie Dru: 1996, 1997, 2002, 2007). Disruptive marketing is a volatile and iterative process that is used to counter the different impacts of external discontinuities and it drives “out-of-the-box” thinking and concentrates on crushing firm biases and old paradigms. Disruptive marketing is related to the concepts of creative marketing, economic creative destruction, corporate entrepreneurship, blue ocean strategy and entrepreneurial marketing. (Kirchner; Ford & Mottner 2012: 71, 74.) The concept of disruptive marketing can be parallelled with the blue ocean strategy as both concepts share a mutual focus on the larger idea that strategy must shape and drive structure (Kim and Mauborgne 2009; Pitta, 2009). However, Kirchner et al. (2012: 74) suggest that the blue ocean strategy is narrower as a process and it's focus is smaller compared to the wider concept of disruptive marketing and it could be perceived as an approach of disruptive marketing. The process of disruptive marketing is depicted in figure 6 below where it is shown alongside the traditional marketing process and the different phases of the companies strategic planning cycle. (Kirchner et al. 2012: 74).

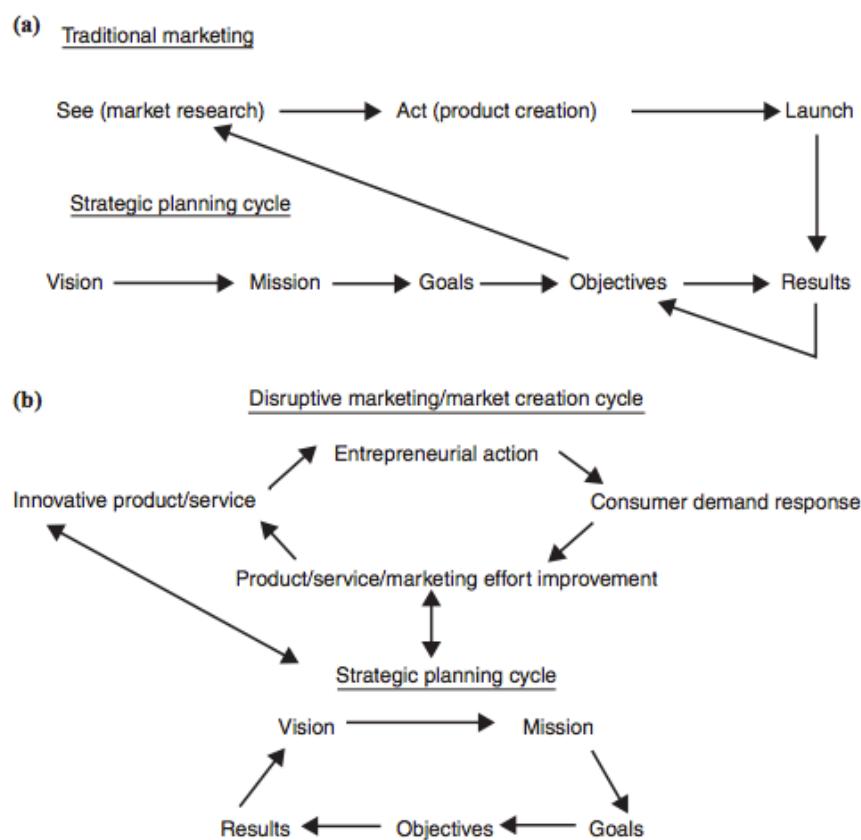


Figure 6. Traditional marketing and disruptive marketing (Kirchner et al. 2012: 75)

Figure 6 portrays the distinctive difference between a traditional marketing process and a disruptive marketing process as the flow and cycle of the graphs are fundamentally different. The disruptive marketing model makes a better use of the strategical planning cycle compared to the traditional marketing process as the traditional linear see-act-launch process is very common in a lot of marketing departments where tactical activities are used to sell products and services to current existing markets. (Silberzahn and Cartwright 2007).

Frequently, there is little discussion over of how the tactically focused marketing departments goals should be aligned with the companies's strategic mission, vision and efforts. A traditional marketing department seldomly uses actively the strategic planning process as traditional marketing often concentrates too much on everyday matters and define their problems quite narrowly and emphasize tactical options. (Morris; Schingdehutte; LaForge 2002:). Thus, the marketing department has to be transformed as the use of standard marketing techniques will lead to classical see-act-launch failures. (Silberzahn & Cartwright 2007:). The cyclic disruptive marketing process is integrally linked with the organization's strategic planning as it is concentrated on creatively identifying and leveraging new businesses, technologies and innovations. Regardless of the numerous shortcomings of the traditional linear marketing model, it is still much-used in traditional organizations and has a big contrast to the more organic and inter- functional disruptive marketing model that is required to be successful in the world market disruption. (Kirchner et al. 2012: 74-75)

2.3.2 Strategy

In Gary Hamel's prominent book, *The Future of Management*, the author categorizes innovation into four categories that are operational innovation, product and service innovation, strategy innovation and management innovation. The top two innovation categories provide long-lasting strategic advantage as they are harder to imitate and the following revolutionary innovation perspectives offer ways to achieve this advantage: disruptive innovation which aims to create new demand from below the existing markets by changing away functions and attributes to others such as convenient use and easy accessibility, blue ocean strategy which aims to create new demand by readjusting old market boundaries, "market-busting" strategy which aims to create new opportunities to grow by redetermining established profit drivers of a

current market, value co-creation with customers which aims to generate higher levels of personalization cheaper by using new advances in real-time connectivity, design-driven innovation which aims to create novel market opportunities with passionate product meaning innovations and management innovation which aims to innovate management customs and principles by building high-performance and high-engagement company cultures which results in sustainable competitiveness. (Leavy 2010: 5.)

Blue ocean strategy is the strategic innovation concept introduced by Kim and Mauborgne (2005) which is the outcome of the company's transition out of a "red ocean" of current market space and into a "blue ocean" of unoccupied market space where the company can generate new demand through low-cost prices and differentiation. (Kirchner et al. 2012: 74). The foundation of blue ocean strategy is value innovation depicted below in figure 7 and is built in the area where a firm's actions positively influence its cost structure and value proposition to customers. (Kim & Mauborgne 2005: 16).

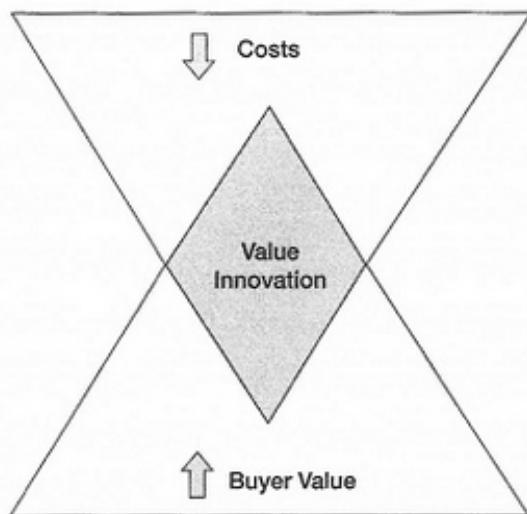


Figure 7. Value innovation: the cornerstone of blue ocean strategy (Kim & Mauborgne 2005: 16)

Cost savings are achieved by decreasing and deleting a given industry's standard competitive attributes and customer value is uplifted by increasing and building novel features that the industry hasn't provided yet. Costs are cut even more over time when the economies of scale start to affect in consequence of higher sales volumes that the higher level of value creates. Blue oceans are created by concurrently reducing costs

and uplifting value for customers and through this strategic innovation of value a major leap in can be achieved in customer value which also benefits the company. Value innovation is based on the perspective that market borders and industry structures are not pre-determined as they can be shaped and rebuilt through action and ideas of companies. The key attributes that summarize the blue ocean strategy are creating a competition-free market space and making the competition meaningless, creating and capturing new demand, breaking the value-cost trade-off and adjusting the entire company into pursuing both lower costs and differentiation. (Kim & Mauborgne 2005: 16-18.)

2.3.3 Design

Value innovation has become a central priority to senior management and the creative methodologies used by the design unit have increasingly been recognized as holding significant potential when they are comprehensively applied to strategy development and business management. (Leavy 2010: 5). One prominent approach from the design literature is the concept of design-driven innovation which is a way of radically innovating a product's meaning driven by a company's vision of how these new meanings will blend into society. The essence of design-driven innovation is understanding the development of sociocultural models and proposing new meanings and product visions and this interpretation work is done by outside interpreters such as designers, artists, schools, suppliers and the media. Thus, the design-driven process itself is submitted to the interpreters and the manufacturers task is to comprehend, foresee and affect the growth of new meanings as well as manage the interactions between the interpreters by providing them access, encouraging them to share and helping them to internalize information on product meanings. (Verganti 2008: 436-437.)

Managing the design-driven innovation process enables the manufacturer to drive change in sociocultural models as it is opposed to the user-centered design and customer insight seldomly facilitates the prediction of fundamental shifts in product meanings. Consumers live deep within their own sociocultural context and their perspective is biased with the current events and therefore radical shifts demand a massive change in sociocultural models which requires a comprehensive and long-time perspective on the phenomenon. Through the process of design-driven innovation, a company drives its vision of potential revolutionary product meanings and languages that might rise up in the future, diffuse in the markets and accelerate

changes in sociocultural systems. The design-driven innovation is much more similar to technological push compared to user-centered design innovation and the three types of innovation are depicted in figure 8 below. (Verganti 2008: 438, 442, 443.)

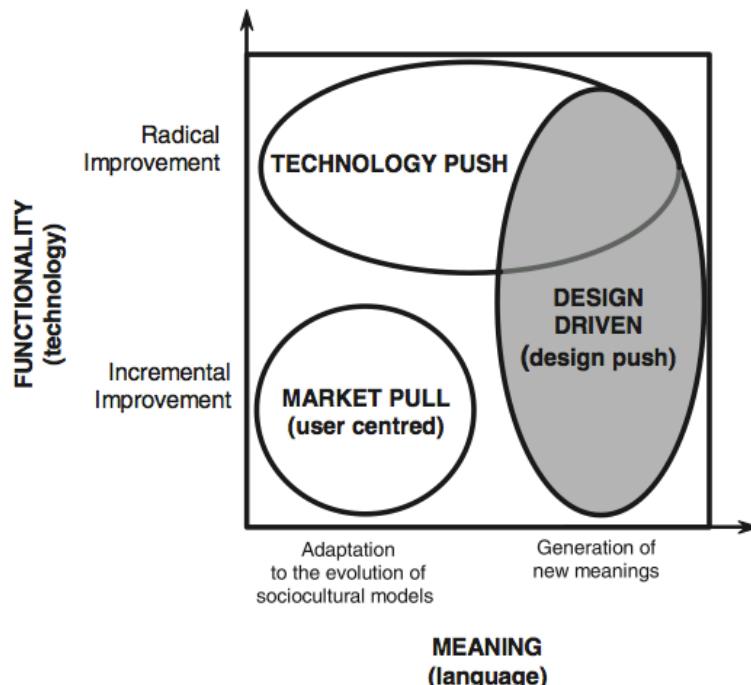


Figure 8. Innovation strategies (Verganti 2008: 444)

Market-pull innovation begins with user-need analysis and looks for technological innovations and product languages that fulfil customer-needs. Hence, user insights give a course for innovation and the user-centered innovation method runs inside the confines of current sociocultural systems. Despite producing incremental improvements, the user-centered method is a more developed way of understanding customer meanings leading to innovative product ideas in contrast to more traditional market-pull methods. Technology-push innovation is the outcome of technological research and it crosses over with design-driven innovation in the up right corner in figure 8 which emphasizes that radical technological improvements are connected with revolutionary changes in meanings. This means that changes in technological paradigms frequently lead to changes in sociocultural systems as major shifts in product meanings are usually driven by exploration and availability of new technological innovations. (Verganti 2008: 443.)

As discussed earlier, the design-driven innovation process begins with understanding the delicate nuances and embedded relations in sociocultural systems and leads into presenting novel breakthrough meanings and product languages that drive radical changes in sociocultural systems. (Verganti 2008: 443.) The process of design-driven innovation offers good contrast to all the user-centered design approaches and reinforces the fact that a company should strongly believe in its vision even when it's contrary to customer surveys and insights. As presented above, breakthrough innovation in product meanings and languages sometimes emerge from a design push that drives change in existing sociocultural systems and this approach provides necessary perspective to the construction of the brand development framework.

2.3.4 Entrepreneurialism

Startup entrepreneurs have to constantly challenge their existing business model, reason of existence and value proposition to stay relevant in the fast-paced competition and this premise transmits to their company cultures and strategies which are adaptive, dynamic and based on iteration and testing. When incumbent companies execute their business model, startups are searching for one as fundamentally they are a temporal venture that is looking for a scalable and repeatable business model. (Blank 2013: 5). In order to survive in the long-term, startups also need to establish a process of continuous innovation to create innovative products and services that lead to disruptive innovations and the rapidly diffused principles of *the Lean Startup Machine* by Eric Ries (2011) provide a prime basis for studying.

The lean startup method combines the concepts of agile methods, customer development and lean manufacturing and by using quick cycle times for testing and constantly improving according to test results the method attempts to transform the way businesses are created and products and services designed. The method focuses on reducing all unnecessary costs and waste, shortening the time to market-entry and providing the optimal starting point for a product or service to succeed in the markets and reach its target customers. The basic idea behind the lean startup concept is using all the available resources wisely and accurately to create value for the potential customer through shorter and quicker iterations by testing the company's vision constantly to get a genuinely demanded product shipped to customer's. In order to minimize the investment risk in startups, Ries has developed the concept of minimal viable product or MVP which is a prototyping method that includes only the indispensable features of the product or service and tests the company's hypotheses by

getting customer insights and feedback as soon as possible. The minimum viable product lets startup entrepreneurs to concentrate on understanding who their key customers are, what kind of routines they have, how to draw their attention and keep them as customers. Through the minimum viable product, entrepreneurs can establish a continuous interaction with their customers, get vital customer feedback and improve their possibilities of succeeding without major external funding to release the initial version of the product or service. (Trimi & Berbegal-Mirabent 2012: 460; Blank 2013: 5-6.)

The lean startup approach includes five principles and the first one is that "entrepreneurs are everywhere" as the idea of entrepreneurship incorporates everybody who work within the definition of a startup: "a human institution designed to create new products and services under conditions of extreme uncertainty". This principle emphasizes that entrepreneurship can be found everywhere and the lean startup method is applicable to different size companies in all kinds of industries. The second principle is that "entrepreneurship is management" as a startup is more than a mere product or service and demands a special kind of management that is adjusted to the context of extreme turbulence. The third principle is "validated learning" as it is vital for a startup to learn how a sustainable business is built and this learning process can be validated by executing scientific tests frequently that let the entrepreneurs test the different aspects of their vision. The fourth principle is "build-measure-learn" which is the main activity through which a startup converts its ideas into products and services, measures how well customers react and learn if they should persevere or pivot. Successful startups and their processes are adjusted to speed up this feed-back loop process and it is the core concept of the lean startup method. The fifth principle is "innovation accounting" which brings up the importance of measuring the startups progress, setting up milestones and prioritizing work which all demand a new type of accounting specially customized for startups and for people who supervise success. (Ries 2011: 8-9.)

Essentially, a startup is an accelerator for the transformation process from an idea to a product and when customers interact with the initial version of the product or service they produce data and feedback. The exploitation of this feedback data can be summarized into the build-measure-learn feedback loop model which is in the heart of the lean startup method and depicted in figure 9 below. (Ries 2011: 75-76)

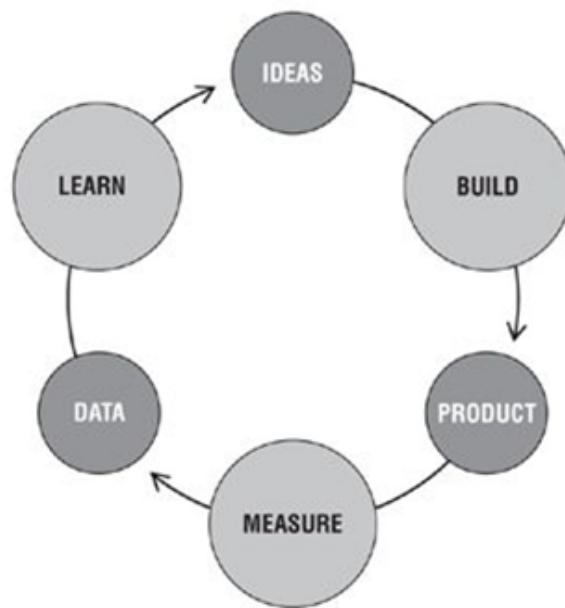


Figure 9. Build-measure-learn feedback loop (Ries 2011: 75)

The build-measure-learn feedback loop enables to identify customer insights which can be used to validate or abandon business hypotheses, continuously develop the core product, confirm the feasibility of different parts of the business model through pivot experiments and in the end start the next round in the continuous iteration process. After all the product hypotheses are validated and the minimum viable product transforms into the first version of the end-product, the following stage is constant improvement, optimization and scaling up the business model and increasing the customer base. (Trimi & Berbegal-Mirabent 2012: 460.)

The best practices discussed above represent a selection of functional and effective innovation methods that provide a comprehensive basis and a good starting point to the development of a framework for the brand development process. The innovation methods offer diverse perspectives on how to establish a continuous innovation process, how to break market boundaries and find outside opportunities, how to challenge the status quo by pushing out radically different product designs and meanings as well as consolidating an iterative learning process driven by customer feedback that guides the business strategy and business model development. These best practices are now combined together and developed into a hybrid framework that attempts to meet the growing demands of the age of digital disruption and customer behaviour change.

2.4 Disruptive brand development process

The age of traditional waterfall thinking is over and business and brand development can no longer be a sequenced linear process which is thoroughly planned from start to finish a year before the marketing campaign begins. Rather, in the current rapidly changing market environment, brands have to be agile first and foremost by adapting an iterative and dynamic brand development process which includes a lot of testing, iteration and adaptation. Digitalization accelerates the omnichannel customer experience and this demanding new environment requires quick response times and constant adaptation to customer needs. Thus, rapidly changing customer behaviour makes it impossible to foresee market developments in a longer term and the brand development process and marketing have to be elaborated to match the requirements of the digital age. Next, the best practices discussed earlier are combined together to form a comprehensive and dynamic ongoing framework of brand development process that companies from different industries can use to meet the challenges set by the ubiquitous digital disruption.

Clayton Christensen discussed the problem of good management that incumbent companies often face and their incapability of identifying disruptive business models that emerge outside their current core markets. This raises a critical problem that leading companies often face and is the reason why the disruptive brand development process begins with the search of blue oceans through value innovation which is the core central activity of the framework. Value innovation helps the company to break the industry's status quo and search for sources of innovation and brand development opportunities outside the existing core markets. This premise provides a disruptive foundation as the ambition of the company is to find radical innovation instead of incremental improvements outside the current markets and make the existing competition obsolete.

Value innovation puts in motion the disruptive brand development process depicted in figure 10 below and launches the inner circle of the framework which is the strategic planning cycle consisting of iterative phases including vision, mission, goals, objectives and results.

3. Disruptive marketing & market creation cycle

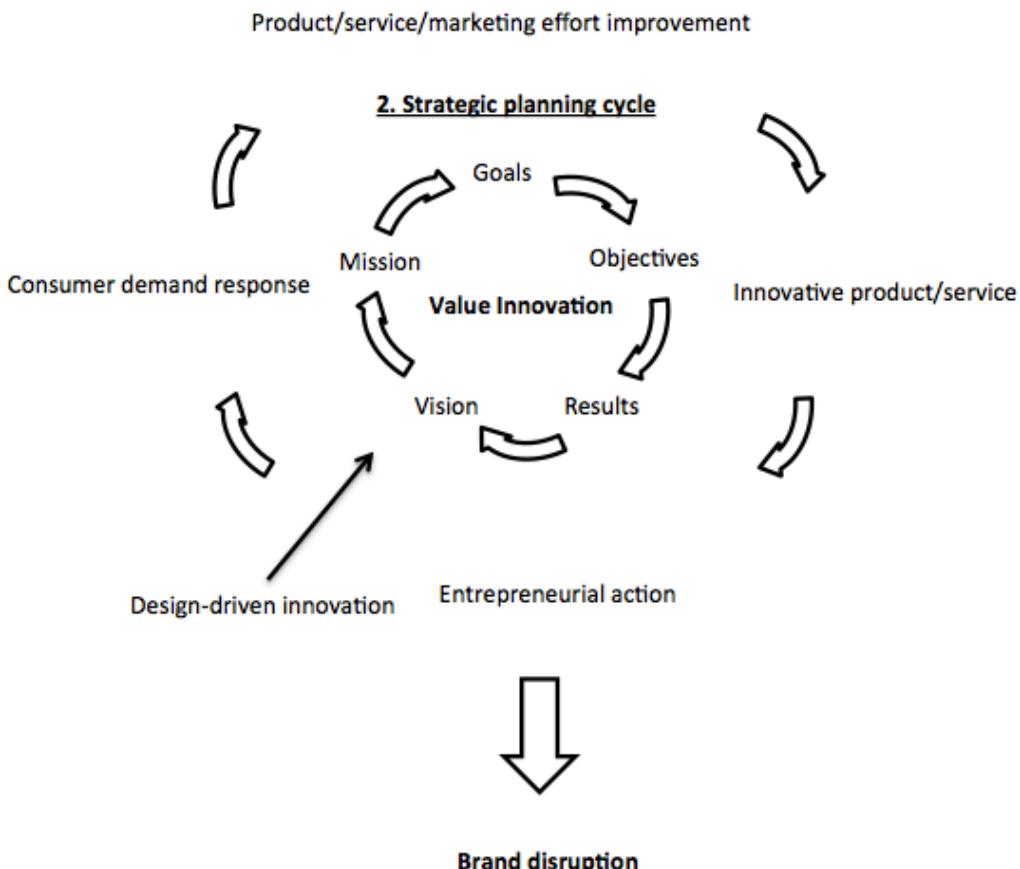


Figure 10. Disruptive brand development process (Retelling Kirchner et al. 2012: 75; Kim & Mauborgne 2005: 16; Verganti 2008: 444; Ries 2011: 75)

The value innovation energizes the company's core vision by creating an urge to explore outside market opportunities and this drives the company to pursue disruptive business models which also advances innovative brand development. The strategic planning cycle is set in motion by value innovation but the process of design-driven innovation can also provide valuable input by innovating the current dominant customer product and service meanings as all major incumbent companies are fine-tuned to satisfy the needs of their best customers which prohibits them from radically innovating new disruptive customer meanings. Thus, the process of design-driven innovation can act as a catalyst for disruption inside the strategic planning cycle and ensure that the end-result of the strategic cycle is not too customer-need biased and driven by a radical change of meaning. Design methodologies offer a lot of disruptive potential in innovating the core product and service meanings as well as company vision and they help navigate in the digitalized customer landscape where companies offer fully digital omnichannel experiences to digital native customers.

The second cycle of the disruptive brand development process is the disruptive marketing and market creation cycle which is driven by the vision and other strategic elements created in the strategic planning cycle. The key part of this outer cycle is entrepreneurial action which launches the loop process and feeds the brand with customer feedback. The lean startup method, the build-measure-learn feedback loop and the minimum viable product are all essential themes in this entrepreneurial action and provide a functional way of establishing an interactive conversation with the target customers. This outer cycle also includes consumer demand response, product/service/marketing effort improvement and results in product or service innovation which in turn transmits into brand innovation. Therefore, the disruptive marketing and market creation cycle leads to brand development as well as new business exploration and is much more than a mere brand management tool.

The disruptive brand development process is a continuous iterative model which provides a sustainable basis for ongoing brand innovation, creating radical brand disruptions and finding new disruptive business models. The outcome of this brand disruption is a bigger brand story for the customers, a clearer brand meaning that is relevant for today's digital native customers and new product and service innovations that energize the brand development process. Brand disruptions help companies to face the growing challenges of digital disruption but surviving in this new turbulent competition climate requires much more than brand development. Digital disruption requires a comprehensive understanding of the possibilities of new disruptive technologies and business models, comprehending the fundamental shifts that are changing consumer behaviour and the ability to challenge the current best practices in order to find new sources of radical innovation.

2.5. Brand development challenges in modern banking

Changing consumer behaviour and technological innovations drive change in brand development practices in the age of digital disruption and banks need to understand and adapt to this transformation in order to stay relevant and survive in the long-term. Brand development needs to combine the latest cutting-edge marketing software and tools with a strong brand vision and a clear brand development process that leads to measurable results and enables the brand management to be agile and quickly react to changes consumer needs. Formerly, digital banking services and mobile applications were a way to differentiate the banking brand as digitally-savvy but now they have

become industry standards and core features in banking. This shift puts a lot of pressure to the heavy legacy systems and practices that incumbent companies often use and have and it can be hard to radically eliminate old systems that have long been in use. The new generation of digital native customers have been accustomed to digital brands offering immersive omnichannel digital experiences and their high standards apply across industries without exceptions. This pressurizes banks to become digital first by developing a new digital offering, setting digital products and services as core features and building a strategy that has a digital core and acknowledges the potential that a digital transformation has. Digital transformation requires a comprehensive change in the company culture, the elimination of all out-dated legacy systems and practices and a strong digital vision. When these factors are dealt within the bank, this provides a strong foundation for the development of a digital banking brand and the creation of brand disruptions.

2.5.1. Banking industry's digital challenge

Capgemini consulting and MIT Sloan's Center for Digital Business conducted a two-year study covering the subject of digital maturity and advantage that businesses can achieve by becoming digital leaders in their industries. The research included surveys from 469 senior executives in 391 major companies from around the world and surveys were statistically analyzed to establish a relation between financial performance and digital maturity. The research results divided industries according to their digital maturity into four different categories which are beginners, conservatives, fashionistas and digirati. (Capgemini & MITSloan 2012: 2, 4, 21.)

Digital maturity is the mix of two individual but related dimensions which are digital intensity and transformation management intensity. Digital intensity consists of the investments in technological projects that are aimed at changing the way the business is operated, how customers are engaged and developing the core business model of the company. The second dimension, transformation management intensity, consists of the company's vision that shapes the future, engagement and corporate governance which control the course and business / IT relationships that carry out technological change. Businesses that are maturing in this second dimension are allocating resources to the creation of leadership capabilities that are required to drive a digital transformation in the company. The components of transformation management intensity drive a continuous digital transformation process in the company through a mix of top-down leadership and bottom-up innovation. (Capgemini & MITSloan 2012: 3.)

"Digirati" companies have the digital maturity to generate digital innovations and drive a holistic transformation in an organization. Digirati businesses perform considerably better than companies that are less digitally-mature and they understand very well how to drive value through digital transformation. Digirati's combine a powerful vision, prudent engagement and governance with adequate investments to new ventures and with vision and engagement, they develop a proactive digital culture that envisions future shifts and implements them with finesse. Through well-planned investments and accurate coordination of digital projects, Digiratis constantly improve their digital and competitive advantage outperforming other categories. They are 26% more profitable compared to their industry competition, generate 9% more revenue from physical assets and employees and create more value by gathering 12% bigger market valuation ratios. (Capgemini & MITSloan 2012: 3, 4, 8.)

The banking industry is situated in the Digirati category as banks have developed digital features from online banking to mobile services that serve both the customer and the banks well by bringing convenience to customers and serving as low-cost channels for banks. Digital is revolutionizing the customer relationship between retail banks and their customers and banks have responded to this change by building stronger capabilities in social media, analytics and customer service. Banks have a great opportunity to double up their successes by turning them into new digital innovations in mobile, social engagement of customers, sharing the company's internal knowledge and integrating these projects and processes over corporate silos. (Capgemini & MITSloan 2012: 9, 11)

Digital revolution has brought new rules to banking as banks are looking ways to secure their position and competitive strength in the quickly changing financial markets. Digital technology is the new driver of competitive advantage and traditional banks are progressively challenged by a whole new breed of agile digital disruptors and fintech startups. This emergence of new digital companies is driven by the development of cloud computing, easy access to data servers, computing power and open software which all facilitate the process of turning new innovative ideas into saleable products. One way for established banks to consolidate the innovation power of new startups is to buy them and deploy their innovations and innovators into the existing organization which gives them a significant competitive advantage. BBVA's acquisition of the online banking startup Simple is a great example of consolidation as this strategic move gave BBVA a mobile banking app that serves as a digital platform that users use twice a day to connect with the bank and manage their daily spending.

Simple's mobile app is a sophisticated tool for personal financial management and it supports BBVA's efforts of building stronger customer relationships without expensive branch network costs. (Accenture 2014: 8.)

Temenos which provides software solutions for financial services conducted its 7th "Annual Survey of Challenges, Priorities and Trends in the Financial Services Sector" for 198 global senior bankers and the research results show that the four biggest challenges the banking industry currently faces are disappearing customer loyalty, regulatory pressures, blurring industry boundaries caused by digitalization and putting product innovation and digital channels as top priorities. 30% of the senior bankers believe that customer loyalty is the banking industry's biggest challenge as satisfying the needs and demands of the well-informed customers who are increasingly less loyal is hard. 53% of the respondents believe that regulation will pressure banks to update their old legacy systems as governments in the US and western Europe are compensating the lack of banking regulation before the financial crisis. (The Financial brand 2014.)

30% of the seniors bankers have a fear of competition coming outside of the traditional banking industry and see technology companies such as Amazon, Google, Apple and Paypal as a major threat as they have the capability of turning big data into valuable customer insights. As the banking industry's value chain is gradually fragmenting, new digital competitors are taking over parts of the value chain by offering banking services without becoming full-blooded banks. Another competitive threat that is usually over-looked is disintermediation as companies like Lending Club that offers peer-to-peer lending could seriously disrupt the banking industry as well the usage of capital markets, the use of prepaid cards and other third party products or a total vacation of banking services. 24% of the senior bankers emphasized the importance of product innovation and 18% of them stressed digital channels as a top priority and the overall spending and investments to IT and digital solutions is exploding and growing rapidly. Through investments to digital infrastructure, product innovations and a comprehensive culture change and a new digital mind-set, banks have a good opportunity to confront the challenges set upon the banking industry and develop more meaningful banking brands for their customers. (The Financial brand 2014.)

The banking industry is going through a fundamental shift and this kind of a transformation happens once in a generation. This big bang is driven by digital

disruption, rapidly changing consumer behaviour and regulation and traditional banks are facing hordes of new digital competitors that understand intuitively what today's customers really crave. Incumbent banks need to constantly innovate in order to stay in the pace of competition and disruptors are attacking from all directions with new service concepts and digital first strategies. The list of innovative and impressive fintech startup companies is long and some really disruptive pioneers include Moven, SimpleBank, Mint, HelloBank, GoBank, FidorBank, LendingClub, Affirm, Stripe and Square. Their services range from peer-to-peer lending and mobile-first banking to easy personal financial management and seamless mobile payment devices as their disruptive power stems from a totally different kind of business logic and innovative company culture compared to traditional banks. In addition to the myriads of startups challenging traditional banks, the digital goliaths such as Google, Amazon, Apple and Alibaba are a growing menace that threatens the very existence of incumbent banks and an increasingly larger number of non-bank competitors want to get a piece of the banking market. (D11 Helsinki 2015; The Financial brand 2014.) The disruption of the traditional banking industry is depicted below in figure 11 which shows how different kinds of categories of innovative new banking solutions create business models around themselves and are taking the marketshare away from the traditional banking service providers attacking from all directions.

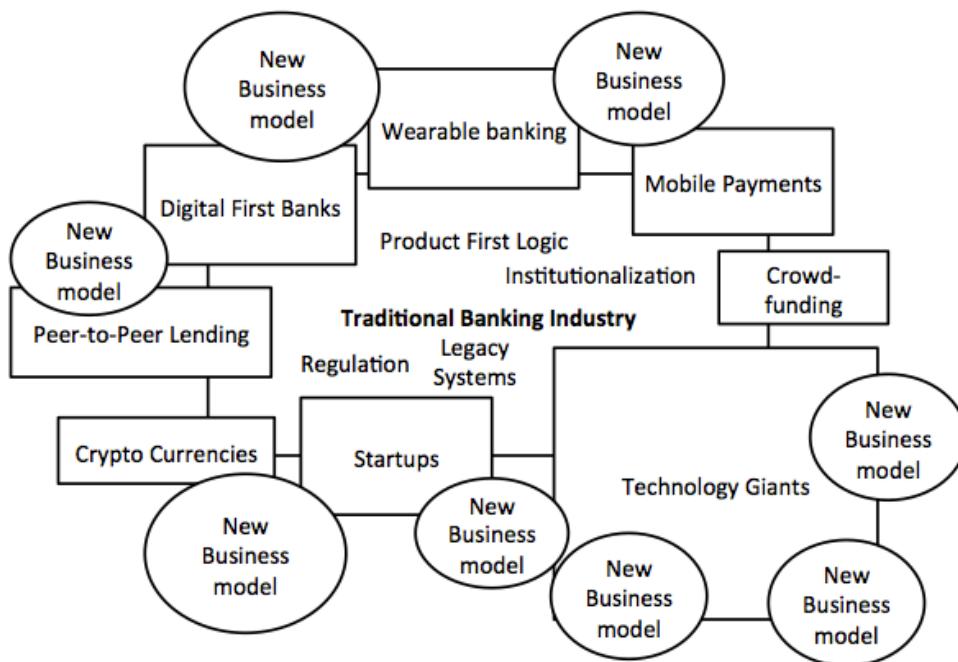


Figure 11. Disruption of the traditional banking industry

2.5.2. S-Pankki's brand development problems and strategic challenges

Digital disruption, the transformation of consumer behaviour and changes in regulation are also starting to challenge the way finnish banks understand and think about their industry and what kind of a company is the bank of the future like. Banks have started to make strategic choices to develop their companies and brands into more digital ones and Danske Bank as an example has made a strategic shift towards a digital bank. The challenge to transform into a digital bank with a great omnichannel customer experience puts a lot of pressure for finnish banks and especially to S-Pankki which is a relatively new bank in the finnish competition. (S-Pankki 2015.)

S-Pankki's journey as a finnish bank is quite short compared to some of the incumbent companies and more established banks and this is part of the reason why some customers don't yet see the company as a fully-fledged banking brand. Recognition as a serious financial services provider is one of the problems that S-Pankki's brand development faces and this brand challenge may take some time and marketing efforts to solve. In 2014, S-Pankki merged with FIM and LähiTapiola to form a bank that provides funds and wealth management services in addition to the daily financial services and this merger sets it's own strategic challenges for marketing and brand development. Instead of one company and banking brand, there is now three brands under one company which have a distinctive brand and they need to be arranged into a clear brand hierarchy so that they don't cannibalize each other. The integration of these three companies also sets a strategical challenge for S-Pankki and this fusion needs to be done frictionlessly and as a joint effort so that the customer experience doesn't suffer in the mean time and a shared mutual brand vision emerges as an end-result for the whole company. (S-Pankki 2015.)

S-Pankki is a little bit different banking brand compared to it's competitors as it is based on cooperation and customer ownership and this basic premise provides lots of potential to grow the brands customerbase and brand community. S-Pankki is a commercial bank with customer owners and this can benefit the development of customer loyalty and help build a stronger relationship with the brands customers. S-Pankki also benefits from it's network of physical supermarkets as the S-Markets are customer touchpoints which can be used to construct a more omnichannel brand experience that combines digital and physical space with interactive brand content and real interaction from employees. However, there is a long road ahead to this omnichannel vision and the big challenge at the moment is to develop a fully

functional digital banking experience with S-mobiili and S-Pankki.fi. When this brand experience meets the demands and requirements of today's digitally-savvy customers, the digital banking experience of S-Pankki can truly be extended from digital to physical and become an immersive omnichannel brand experience. (S-Pankki 2015.)

S-Pankki's brand vision is to provide the best services for it's customer owners in daily financial services, savings and project funding and the brand core that differentiates S-Pankki from other competitors is the focus on facilitating daily spending and money management. This brand core consists of four elements and the first element is that S-Pankki is first and foremost the customer owners own bank, the second element is that S-Pankki's customership is useful and rewarding, the third element is the commercial bank which facilitates doing business and the fourth and final element is the familiar and equal partner. This brand vision has to guide all marketing efforts at S-Pankki and be the starting point when developing the brand further into a digital bank. The challenge is to keep the brand vision crystal clear in all decision-making situations and at it's best it helps the brand to be true to itself and, in S-Pankki's case, be customer-oriented. (S-Pankki 2015.)

S-Pankki has positioned itself with the ease of use and offering the best price for it's customers and it uses these attributes as points-of-differences to differentiate itself from the competition. These positioning attributes support the idea of an omnichannel brand experience but the major challenge is to make sure that the brand experience is consistent in all digital channels as well as in the physical supermarkets. This brand positioning requires that the user experience in S-mobiili and S-Pankki.fi is simple and functional and that the employees at S-Markets are helpfull and easy to approach to ensure a congruent brand experience. If the brand experience is not consistent in all channels, this erodes the credibility of the brand positioning and does harm to the brand development process and slows down the journey of becoming a fully digital banking brand. (S-Pankki 2015.)

S-Pankki's brand identity consists of the core brand elements mentioned earlier and it's brand vision guides and energizes the practical implementation of these attributes in daily brand management work. S-Pankki's brand positioning consolidates this brand identity and is a way to emphasize the core benefits of S-Pankki banking services to it's customers. The brand experience from physical customer encounters to digital user experience and overall brand communication needs to be consistent with the brand identity and brand positioning in order to drive the brand towards the direction of the

brand vision. S-Pankki has defined nine different characteristics as a guideline for its marketing and customer communication and these describe the brand as open, straightforward, encourages action, interesting, evoking, familiar, demotic, casual and inspiring trust. The goal of these characteristics is to make sure that the marketing communication is in-line with the brand vision and identity and that brand development focuses on strengthening the right aspects of the brand. This criteria also helps to keep the tone-of-voice of the brand appropriate and ensure that the brand message stays clear and true to itself and the brand core. (S-Pankki 2015.)

S-Pankki's brand management still has a lot of challenges ahead of them before winning the hearts and minds of the finnish banking customers and the ubiquitous digital disruption and changing customer behaviour are major roadblocks in this voyage. S-Pankki's brand management has the same problems and challenges that all banking companies are globally facing as the the 7th annual survey by Temenos portrayed. Major technology companies such as Amazon, Apple and Google are making moves to enter the financial services sector and at the same time new innovative financial technology startups emerge everywhere challenging the incumbent competitors with their strong innovation power. Finnish banking companies are also very vulnerable to consumer behaviour changes as the common finnish consumer is very digitally-savvy as internet usage and mobile adaptation is very high in the finnish consumer markets. This means that S-Pankki should constantly innovate its digital channels and focus on building a great mobile user experience that is considerably better than its competition. S-Pankki's only choice is to respond quickly to these changes and determinedly drive a digital transformation process by developing S-Pankki into a fully digital bank and banking brand that uses cutting-edge technology to provide the best possible brand experience for its customers. Continuous innovation of banking products and services and the concurrent brand development helps to build and maintain customer loyalty, respond to the competition set by large technology companies and startups, adapt better to new banking regulations and legislation and keep the innovation focus in the digital channels. Building a functional digital bank is the only way for S-Pankki to survive in the long-term and this can only be achieved by continuously innovating new banking products and services and developing S-Pankki's brand.

Ergo, potential themes for the empirical research part of this thesis are the building of a digital bank and brand development as a continuous innovative process. These two themes are a functional premise to further develop the ideas presented in this theory

chapter and the disruptive brand development process framework can be elaborated so that it brings value in the context of S-Pankki. By proportioning the theoretical framework to S-Pankki's context, the gap between theory and practise is narrowed down and the ideas presented in the framework become more relevant for S-Pankki. Through the problematization of the disruptive brand development process framework, the thesis can build an understanding of how S-Pankki can benefit from the framework and use its ideas to solve their brand development problems and further develop the company towards a fully digital banking brand. The next chapter describes the empirical research in detail that is conducted in this thesis and what is the research methodology that is used in the study. It also reviews the possibilities and conduction of the theme interviews and goes through the research themes and interview questions that are analyzed in the research results chapter.

3. EMPIRICAL RESEARCH

” Genius is one percent inspiration, ninety nine percent perspiration” - Thomas Edison (1903)

The theory section of this thesis described the phenomenon of digital disruption, how it is affecting, transforming and disrupting industry after industry including the banking business and how digitalization drives a bigger change in consumer behaviour. It also presented ways how brand management can react to this accelerating change and discussed improvements to brand development by constructing the disruptive brand development process framework as an interdisciplinary combination of different best practices. The purpose of the empirical research of this study is to develop and construct a functional brand development framework for S-Pankki and this is achieved by combining theoretical findings from the theory chapter with the insights from the empirical research material gathered by interviewing and analysing the case companies employees and outside experts.

3.1. Research methodology

This research is qualitative and aims to create a deeper knowledge on the research subject and understand more thoroughly the research phenomenon in the given case context. A good research starts with theory and later returns back to the theory to reflect whether the empirical research results supported the theory or not. Theory can both be a means and an end when conducting a research and as a means it facilitates the making of the research while as an end the goal of the research is to further develop the theory. Therefore, theory guides the researcher in the search for new knowledge and at the same time structures and systemizes the already collected information. Theory is used as a means in this research to facilitate the making of the research, to build an understanding and interpretation of the case material and to present these findings in a scientific form. (Eskola & Suoranta 2005: 81, 83.)

The research method used in this thesis is case study as the research seeks to build a comprehensive understanding of brand development in the case context of S-Pankki and to develop a practical brand development framework for S-Pankki to implement in practise. Case study is a constant dialog between theory and practise and the empirical

findings from the case analysis are meant to provide knowledge from S-Pankki's brand development process as well as ignite and drive a positive change in the case company. (Eriksson & Kovalainen 2008: 121). Through discussion with S-Pankki's brand management and the expert interviews as well as the analysis of S-Pankki's marketing management material, I am trying to raise up problems in S-Pankki's brand development, analyze and reflect these issues to the theoretical framework of disruptive brand development process and find ways for S-Pankki to improve their brand development process. Thus, I am involved in practise with the case company trying to disrupt and elaborate their brand development through an intervention with my theoretical framework and expert interviews and therefore the case study method is an appropriate research method choice for this study.

As the chosen research method is case study and I am actively involved in the process of improving S-Pankki's brand development practices, the abductive research logic describes well the process of this study. The research logic of this thesis is abductive as both induction and deduction are used in different stages of this research project and the study is a combination of these two research logics. Abduction is the process where the researcher moves from daily descriptions and meanings from people to more specific categories and concepts that form a premise to better understand and explain the studied phenomenon. Abduction is a way to produce new ideas and hypotheses and it is considered as a logic for doing exploratory data analysis. In the abductive research logic, deduction is used to assess the research hypotheses and induction is used to confirm these ideas with empirical research data. (Eriksson & Kovalainen 2008: 21-23).

The first research approach used in this study is constructivism that seeks to produce solutions for real-life problems and is one approach to conduct the case study method. The approach does this by producing an innovative construction that solves practical problems and requires good teamwork and a close relationship from the researcher and the members representing the case company. This ensures that the case method yields useful and experiential learning for everyone involved in the case and a natural bridge emerges between the study's theory and practise. Constructivism requires a profound linkage to the already existing research knowledge and it is vital to reflect the empirical findings back to the initial theory. When this connection is established successfully, it serves both the conduction of the empirical research and the analysis of the case company providing in-depth insights and a more profound understanding of the case context. (Lukka 2001.) Constructivism is thus a suitable research approach for

the needs of this study enabling critical analysis and development between theory and practise by incubating an innovative framework for the use of the case company.

My intervention to the case company is both direct and indirect as I work in D11 Helsinki which is a management consultancy and digital marketing firm whose customer S-Pankki currently is and I influence their brand development through my thesis and my work as a business analyst. This means that my intervention is both explicit and implicit at the same time and I'm able to reflect insights from my work to my thesis and vice versa. Via D11 Helsinki I have access to S-Pankki's brand management and development material that is relevant in the context of this thesis and this material serves as a basis for the analysis of the case company as well as in the designing of the theme interview questions. I have also discussed through the framework of the thesis and got feedback several times from my colleagues at D11 Helsinki so that the core concept would have a strong linkage from theory to practice.

The second research approach used in this study is action research which aims to influence the research subject by making an intervention to practice through a combination of action, theory and reflection. The primary goal of action research is to build practical knowledge and understanding of the research subject in order to solve genuine problems and the research approach is very practical and hands-on as it is implemented close-by and the researcher influences the research subject. Action research is successful when it is an evolutionary process where participants build deeper forms of understanding, create new ways to generate knowledge and drive change by renewing old fixed practices. (Eskola & Suoranta 2005: 126; Reason & Bradbury 2001: 2.)

Action research can be seen as a transparent activity that is open and explicit about its goals to the studied research subjects and it encourages them to participate and co-operate in order to build a relationship based on trust with the researcher. The research approach aims to positively influence the studied subjects by participating in their activities and solving a specific problem together with the members of the community. This means that the studied subjects are fully-involved with the research project and they give their assistance and help to accomplish mutually-set goals. (Eskola & Suoranta 2005: 127.) In the case of S-Pankki, action research is used to analyze and describe the case company and the research approach encourages both parties to be more deeply involved and build a close relationship with each other.

Constructivism and action research are both good fits for this thesis as they seek to solve practical real-world problems and help in analyzing and solving the case of S-Pankki. The chosen research approaches help to construct a bridge between theory and practise and they facilitate in keeping a practical focus with the research as the underlying goal of the whole thesis is to solve the brand development problem of the case company. Constructivism enables the research to form the conclusive framework of the thesis which drives forward the brand development effort of S-Pankki by bringing a mix of theoretical foresight and practical analysis. Action research allows the research to be intimate and penetrate deep into the studied case company which in turn helps to develop S-Pankki's company practices and gradually increase their knowledge of successful brand development in the context of digital disruption. In conclusion, both research methods serve well the set goals of the thesis and especially help in reaching the second and third goals of the study.

3.2. Semi-structured theme interviews

An interview is an interaction situation where both parties affect each other and typical qualities of an interview include that it is planned in-advance, initiated and controlled by the interviewer, the interviewer has to motivate the interviewee to keep the discussion going, the interviewer know his role and the interviewee learns this role and the interviewee has to trust that his answers are dealt with confidentiality. A structured interview has the same questions and order for all interviewees and the basic idea behind this is that the questions have the same meaning to everyone. The structured interviews have also ready-made answers for the interviewees on separate answer sheets that the interviewer asks the respondents to fill. Semi-structured interviews also have the same questions for everyone but they differ from the structured interviews as they don't have ready-made answer sheets and the interviewees get to respond with their own words. (Eskola & Suoranta 2005: 85-86; Eriksson & Kovalainen 2008: 82.)

Theme interview is another way of collecting qualitative research material where the discussion themes have been pre-selected. The method lacks a distinctive frame and order of questions that is typical for the structured interviews and the role of the interviewer is to make sure that all the pre-determined theme areas are covered with the interviewee during the discussion. The order and the scope of answers into the different themes vary from one interview to the other as there are no specific questions in the theme interview but the interviewer usually has a checklist to help in the

implementation of the interview. (Eskola & Suoranta 2005: 86.) By combining the semi-structured interview with the concept of the theme interview, forms a hybrid interview method that could have the benefits of both methods. This concept of the semi-structured theme interview fits well with the planned interviews of the empirical research of this thesis and therefore is chosen as the interview method of this research.

The primary case material of this thesis is gathered by conducting semi-structured theme interviews for two distinctive groups which are D11 Helsinki's employees that represent outside experts and S-Pankki's and S-ryhmä's employees which bring an internal perspective to the case analysis. Secondary case material includes brand development material from D11 Helsinki that provides background information on how the brand has been developed so far at S-Pankki. The background material that describes the previously done brand development work helps to form an overall picture of what is the current situation and to better understand the context of the case study.

The semi-structured theme interviews serve as a basis for the discussion with the interviewees and provide a format to ask the essential questions for the further development of S-Pankki's brand development process and the theoretical framework constructed in the theory chapter. The findings of the theme interviews help to establish an understanding of what kind of a connection is there between the theory of the thesis and the case context of S-Pankki and how well the gathered qualitative material can be used to build a bridge between the constructed theoretical framework and the real-world daily practices of the case company of the thesis.

The conduction of the interviews is followed by a rigorous analysis of the case material and the insights lifted up from this process are used to develop a roadmap for S-Pankki's digital development and a practical framework for S-Pankki's brand development by elaborating the disruptive brand development process model built in the theory chapter. After conducting the theme interviews and analyzing through all the case material and developing next steps for S-Pankki's future digital brand development efforts, the reliability and the validity of the theme interviews is evaluated in the end and described how the theme interviews served the purpose of the whole research.

3.3. Research themes and the analysis of the empirical material

The first theme of the interviews is the building of a digital bank which is one of the biggest challenges the traditional banking industry is currently facing globally and in Finland. Incumbent banks have a lot of pressure to renew, develop and digitalize old practices, organizational silos, legacy system and outdated IT infrastructures and leading a thorough digital change requires strong leadership and a digital vision. The first interview theme is essential for bringing up the intellectual know-how of digital disruption and how well is this phenomenon and it's cause and effects understood at S-Pankki. Understanding this phenomenon gives a larger understanding of the paradigm shift that is happening in the banking industry and empowers managers to do enlightened decisions. Understanding the possibilities of a digital bank from the economies of scale to smaller details such as considerably more efficient customer service through automation helps to drive a comprehensive digital change in the company.

The second theme of the interviews is brand development as a continuous innovative process which refers to the disruptive brand development process constructed in the theory chapter. This framework is an interdisciplinary synthesis that merges together best practices from strategy, marketing, design and entrepreneurship and provides guidelines for S-Pankki to fight back the innovation power of digital disruptors by continuously innovating in brand development. The second interview theme brings up perceptions and attitudes about brand development work and marketing communications in S-Pankki and helps in building an understanding of the inner relationships and responsibilities of brand management and development. In the age of modern digital marketing, it is important to understand brand development as a continuous process of testing and learning through data analysis opposed to more traditional campaign-led marketing consisting of a series of separate marketing campaigns.

In order to develop a meaningful customer-oriented banking brand, brand development has to be a consistent and coherent digital development process where a working feedback loop constantly feeds end-customer insights to the product development unit which actively communicates with brand management to ensure the consistency of the brand. The continuous feedback loop ensures that the brand is tackling the right issues at the right time and this is a way of developing a meaningful

banking brand that solves daily financial problems that really matter to customers. Strong customer-orientation has to be paired with a crystal clear brand vision inside the organization to ensure the coherence of the brand development effort and the right focus of the whole process.

The analysis of the empirical research material started with transcribing the interview material from the recorder to text format. After the transcribing process was done with some initial notes and ideas that sparked along the way, the first reading round of the interviews was done with the focus to read through all of the text by emphasizing important findings and highlighting phrases at the same time.

The next phase of the analysis was to combine all of the interviews into one document that had all of the answers in order. This helped to explore and manage the interview material more efficiently and comprehensively and provided a basis to form a body of ideas and opinions that each question and theme had generated. This facilitated the process of finding recurring answer patterns, similarities in perceptions and what were the tiebreakers questions with conflicting answers.

After combining the interviews into one text mass, the second reading round of the interviews was conducted with a rigorous attention to detail through an in-depth analysis of the empirical material. The idea of this round was to collect all the key findings of the interviews and lift up insights that describe aptly the research phenomenon and support the ideas presented in the theory chapter.

After a good amount of the interview material was written into text to the thesis, the third and final reading round was conducted as a check-up round to make sure that there weren't any important ideas or observations left behind that could add value by bringing up an unconventional or novel point of view for the research results. This three step reading process proved to be a convenient way of analyzing the fairly extensive interview material and helped to identify relevant pieces of information that validated the ideas presented in the theory chapter as well as build a foundation of arguments to answer the main research questions of the thesis.

The interview material was saturated to a certain point as answers to some of the interview questions followed a similar pattern but each interview provided its own unique viewpoints and cumulated valuable insights to the research results. Overall the number of the interviews was rather optimal for the purpose of this study and it is

unlikely that additional interviews would have brought a significant amount of completely new information for the existing empirical material.

4. RESEARCH RESULTS

"We cannot solve our problems with the same thinking we used when we created them" - Albert Einstein (1946)

4.1 Interview results

The research interviews discussed and analyzed below form the primary source of empirical material in the thesis. The interviews were conducted in two locations, the D11 Helsinki office in Unioninkatu and the S-Pankki's headquarters in SOK's Ässäkeskus in Vallilla. The group of interviewees included five experts from D11 Helsinki who currently work or have worked before with S-Pankki as a client and nine employees in different positions in S-Pankki and SOK. The interviewees are referred to as expert or employee with their distinctive order number.

The two themes of the interviews were the building of a digital bank and brand development as a continuous innovative process. The purpose of the interviews were to collect qualitative data and insider knowledge of what is the stage, mindset and current process of S-Pankki's journey towards a more digital bank. The idea was also to figure out what is the current practice and routine of brand development in the company and how these two themes could support each other, create synergies and help to leverage the pace of change of S-Pankki to the level of fast-moving agile disruptors.

Through the answers, opinions and perceptions of S-Pankki's employees and D11 Helsinki's experts, the goal of the interviews was to find out how well does the ideas and framework presented in the theory chapter match the situation at S-Pankki and help the company move forward in their digitalization and brand development efforts. The interview results show what kind of a bridge can be erected between the research theory and case company's practice and how the insights lifted from the empirical material can further develop and elaborate the disruptive brand development process framework to suit the goals and needs of S-Pankki. This chapter also presents reflections and observations accumulated during the conduction of this research and the findings are summarized together with suggestions on what are the key areas to focus on in the future for S-Pankki.

4.1.1 Preliminary task

The interviews started with a preliminary task which purpose was to open up the discussion and get an overall perception on how they perceive different marketing tools and concepts and understand how they can be used in building a more digital bank and improve the brand development process. The idea of the preliminary task was to choose the five most important terms that influence the success of S-Pankki which are depicted below in table 1.

Preliminary task	Total (out of 14 respondents)
Omnichannel	6
The development of digital marketing systems	0
Marketing automation	7
Content marketing	4
The enhancement of user experience	10
Utilising big data	7
Social media	1
Customer-centricity	14
Agile brand development	2
Mobile marketing	0
The development of mobile services	8
Neuromarketing	0
Understanding consumer behaviour	11

Table 1. Preliminary task of the research interviews

The preliminary task was a good conversation opener for the interviews and served as an introduction to the research questions. The first preliminary helped to understand the attitudes and valuations of how interviewees perceived different aspects of brand development work and provided insights on their know-how and focus points.

The most important term for S-Pankki's success was customer-centricity which all of the interviewees selected. The second most important term was understanding consumer behaviour with 11/14 respondents chose it to be vital for the success of S-Pankki. The third most important term was the enhancement of user experience with

10/14 talked about the importance of a great user experience at S-Pankki. The development of mobile services, marketing automation and utilising big data were perceived roughly to be equally important with 8/14, 8/14 and 7/14 votes. The development of digital marketing systems, mobile marketing and neuromarketing weren't chosen by anyone of the interviewees as they weren't perceived to be important, they were perceived to be included in an another option or respondents weren't familiar with the concept of the term which was often the case with neuromarketing.

The top three terms chosen by the interviewees are usual suspects in marketing research and brand building but in any case vital ingredients in developing a successful company. This research result indicates that most of the interviewees have a quite clear picture of what are the essential basic building blocks of developing a digital brand as one could say that all the other terms in the preliminary task are means to achieve these three success factors. The perception of the importance of these activities is always more or less subjective as well as their emphasis in a specific company but generally speaking in a larger scope they are widely considered to be the foundation of any successful company or brand. The end-customer should always be the starting point of any brand development process as sometimes marketers focus too much on the details and marketing tools instead of drawing the bigger picture, understanding changing customer behaviour and creating amazing user experiences.

"[I]n my opinion, everything starts from the customer's life. How can we help the customer in it's life better compared to the traditional financial services providers? All this technology is just a means to it so in that case you could think that consumer behaviour is at the very core of everything and this customer-centricity." (Expert 5)

4.1.2 The building of a digital bank

After the preliminary task was done, followed the first theme of the interviews which was the building of a digital bank. This section of the interviews included six research questions and the purpose was to find out how well does the interviewees understand the phenomenon of digital disruption, what kind of effects does it have for the banking industry, what kind of plans does S-Pankki has to cope with this rapid change and what is the level of digital know-how at S-Pankki. The fundamental idea of this theme was to ask difficult but vital questions for the long-term planning of S-Pankki and to

get a broader overview on how the company sees it's future and what kind of elements and attributes does it's employees include to the concept of the digital bank. The answers helped to form an overall impression on what is S-Pankki's future vision and what kind of scenarios and roadmap they have planned to achieve this set goal.

The first question of this section was what is the future S-Pankki and many of the respondents answered by referring to the concept of the "supermarket bank" where S-Pankki is linked closely together with S-ryhmä's retail stores such as S-Market and Prisma which provide a customer service channel and brick and mortar space for the bank's customers. The idea of the supermarket bank is to provide an omnichannel customer experience for the groups customers and be the customers partner in daily financial matters from Prisma retail stores to ABC gas stations to SOKOS hotels.

"[T]he future S-Pankki is considerably more linked to S-ryhmä as a strong success factor in S-Pankki's competitiveness is the synergy with S-ryhmä which then connects more broadly into different kinds of lifestyles and shopping and payments and it's the biggest point of difference compared to other banks." (Expert 4)

One of the interviewees described how customers would eventually forget about the notion of money as S-Pankki would handle all the daily transactions and payments for them providing a comprehensive 24/7 banking service. Another interviewee talked about how S-Pankki should unite all the essential services that a customer requires during their lifetime and combine them into one comprehensive service that could be operated through a mobile app. This vision and complete offering of daily financial services would be one-stop solution and brand experience for S-Pankki's and S-ryhmä's customers and these thoughts are well in line with the concept of the supermarket bank which aims to group together all the daily banking transactions and payments that a customer performs during the day. This future scenario of S-Pankki is an interesting view how the bank could leverage it's strategic position as a part of S-ryhmä's retail chain and be the hybrid bank and pioneer in Finland in this new mixture category of a bank and a supermarket. As one respondent urged S-Pankki to do: "be Finland's only and the world's leading supermarket bank."

After finding out how the interviewees saw the future of the company, the second question broadened the perspective by asking about how digitalization is affecting the whole banking industry at the moment. One interviewee started by stating that it

affects enormously and explained how digitalization is transforming the consumer's visible contract of money and how the predominance of banks is breaking down. The respondent talked about legislation and the role 3rd party liability and mentioned how Holvi was the first new kind of a digital competitor for banks in Finland and how ApplePay is changing the way people make payments in daily situations.

Another interviewee talked how the fundamental shift in the banking industry from the perspective of a traditional bank is how new startups and competitors wedge between the incumbent bank and its customer by innovating faster in the customer interface with a specific focus and angle. Simplebank is an example of where the service layer is on a completely different level compared to the traditional banks through which they direct the customers to their solutions which offer better, easier and more interesting ways of using money. Traditional banks have a great challenge to respond to this intervention as their legacy IT-systems and business models are slow compared to these startups and thus the threat for banks is to lose the customer interface when these agile competitors take the interface and reduce the role of the traditional bank into the back-end IT service provider. This means that the new digital competitors have a direct and more intimate relationship with the end-customer and one respondent stressed how many banks have a long way to go and reach the same level of user experience as their current IT systems are in the way all reasonable customer service.

One interesting point of a interviewee from S-Pankki was that maybe banks should shape into the direction where they function as platforms for transactions of money as companies have already started to lend money off the traditional banks and it won't take long until established digital companies such as Google will come into banking and start offering these kinds of platforms. The employee used Trivago as an example of a platform that gathers the best rates and cheapest prices together under one service and the next step in the banking sector from this could be a peer-to-peer loaning platform which cuts off completely the traditional companies as customers only use the startups platform to transfer money between each others.

The problem with the banking industry has generally been that it is introverted and doesn't have the courage to think outside-of-the-box. One of the interviewee's mentioned an interesting example of a scenario where Facebook would buy Bitcoin and asked what would happen to money at that point, would it affect how people choose their bank and use their money?

[T]here is still a classic case of blue ocean strategy so those who have the courage to combine across industries and mix ideas together as again I look at who is the one that figures out to combine retail and the banking industries together will be the one that disrupts. (Employee 9)

The above quote is the first solid building block of the bridge between the theory chapter and the case material in this thesis as the quote references to the blue ocean strategy (Kim & Mauborgne 2005: 16-18) which is in the core of the disruptive brand development framework.

Many of the respondents emphasized in the interview answers that digitalization can be a way to enhance the banking customers user experience by speeding up, simplifying and making the overall banking experience a whole lot easier and this point resonates well with the concept of value innovation presented in the blue ocean strategy and used in the disruptive brand development process framework.

The bigger picture of how digitalization is affecting the banking industry in the context of the blue ocean theory is that it has turned the whole industry into one big red ocean that is attracting competition from every possible direction as every company is a digital company and want to do banking but not necessarily be a bank. The way to prevent evident marginalization is to look for unconventional combination of ideas, blue oceans, that generates a totally new business model around the synthesis and most importantly creates a distinctively different and superior customer and user experience.

One way for a traditional bank to find new blue oceans and develop surprising synergies is to collaborate with startups and entrepreneurs and one of the interviewees mentioned that S-ryhmä currently has a Ventures-program that consists of a group of 47 startups. This program has tremendous potential to drive a culture change of innovation inside S-ryhmä and help to find a number of new blue oceans and it can also be a successful channel to accelerate digital transformation and internal renewal and disruption at S-Pankki through new product and service projects. In the best case scenario the startup entrepreneurs and S-Pankki's employees discover mutually beneficial development areas that they begin to pursue through a joint venture and this kind of intrapreneurship can be a successful way of breaking out from the industry's typical and conventional way of thinking. Challenging the old idea models and collaborating with entrepreneurs can also help the company to cope with the problems

that organizational silos entail and break out of these mental lockers by establishing a more open and collaborative working culture that is a fundamental requirement for creating any type of new innovations.

The third question of the interviews asked how this disruption is showing at S-Pankki and most of the respondents believed that digitalizations hasn't yet had a big impact on the finnish banking industry in general and to S-Pankki. Some of the interviewees were quite optimistic about the pace of change in consumer behaviour saying that a radical change won't happen in the coming next few years and not even in the next five years as it will take a longer time until these digital financial services diffuse into the larger majority of banking customers.

Other respondents were more pessimistic on the issue as one employee of S-Pankki believed that this digital development could escalate rather quickly and this shift would challenge the entire business logic of S-Pankki. The employee urged that these things should be actively kept in mind and put into practical planning of strategy and discussed how S-Pankki should develop a testing culture to this new reality where the bank will try out different versions of digital banking services and utilizes customer feedback and manages the design process through customer data.

[T]he first tangible forthcoming of the supermarket bank was S-mobiili. S-mobiili was the 9th or the 10th version that we put live and we genuinely thought about the usability and that the service design is in place. (Employee 9)

The important thing in using customer data is understanding the big picture and not to focus too much on the details in the excel cell level as comprehension of the overall data mass backed up by some in-depth key insights can give an overall direction on how is the customer behaviour changing, what activities have a real impact on the customers and what marketing tools could be used to drive business growth.

The fourth question in the first theme asked what kind of products and services belong to a digital bank and why and there was a recurrent pattern in terms such as usability, simplicity and service package and a general conclusion of the answers is that the main goal of these digital services should be that they benefit the daily life of the customer by simplifying the use of financial services and help by making personal money management easier. One interviewee discussed how the customer should have all their data and services in one place from food recipes to personal excercise goals so

that you can combine relevant datasets to create an overall view for example what is the general state of your health at the moment by uniting dietary data and sports data. This way you could build a lot more comprehensive customer experiences with the customer data and get more in-depth insights with analytics providing meaningful and important knowledge to the end-customer. This one stop solution would also simplify the current fragmentation of digital services in all segments and would create extra value by combining them into one nicely packaged subscription-based offering with customization opportunities that are easy to buy and personalize. Through customization, customers could adjust the service package to suit their specific needs in different moments and periods in their lives and always solve the problems that are the most relevant in that particular time.

"[I]n my opinion, the first wave is that you'd have to interact less with the bank in these kinds of bill payment and transaction type of things and they would handle themselves in the background so paying would be easier and we would get rid of these passwords and physical credit cards. The next wave is that what some banks are already doing are these Balancion type of manage and plan your personal finances, better type of services and tools. But then the next wave after that relates to Fidor bank where community and social media are brought strongly into managing your personal economy and advancing your financial matters. For example these peer-to-peer loans are new instruments which facilitates getting financing and these new kinds of services should reduce friction as now banks increase the friction as you have to make an application, wait and you might not even get the bank loan." (Expert 4)

The next question of the interviews and it's answers continued on the thoughts that sparked from the previous one and asked how digitalization can be used to enhance the service experience of S-Pankki's customers. One interviewee pointed out how digitalization is the only efficient way to make use of the economies of scale and provide a continuous and consistent 24/7 service to all customers equally and cost-effectively by always being present and reachable for the customer. Another respondent discussed how the financial services industry is too product- and service-oriented and how it should be more focused on being customer need –oriented as people's needs are usually much simpler than the offering.

A third respondent brought up the availability of the service as well as the previously mentioned easiness of use and how banks should make all their services available in

the digital channels and use these platforms to reduce the brainpower that is required to choose a fund or make a loan application by making them as simple and easy to use as possible. This development of digital service offering at S-Pankki is challenged by current organizational silos as one of S-Pankki's employees talked how different departments handle and develop different parts of the service experience but don't necessarily communicate with each other and the same problem concerns their IT systems making the work manual and inefficient.

Another respondent from S-Pankki believed that a Lean –type of environment is the only way to break out of these silos and by experimenting with pilot groups and getting qualitative customer data and directing this information and knowledge to drive digital service design as all physical touchpoints support the digital experience. The same respondent talked also how at best, A/B –testing can be used to make corrections and adjustments in the live broadcast of marketing and this way bring more flexibility, agility and the ability to react instantly to changes in customer behaviour. This reference of the use of Lean methods at S-Pankki is the second evident building block for the bridge between theory and practise in this thesis as the theory of the Lean Startup (Ries 2011: 8-9) and it's testing culture (Steiber & Alänge 2013: 245-246; Kapferer 2012: 204) which is partly based on the original Lean software development method is one of the key theories in the disruptive brand development process framework constructed in the theory chapter. This reference along with the discussion of the blue ocean strategy earlier gives direction that employees at S-Pankki have thought of the same problems and theories that the theory chapter brings forward and offers initial validation of the fit and compatibility of the theoretical framework as the concepts and content of the disruptive brand development process method are familiar and possibly well- internalized among some employees. This means that there is a greater possibility that this framework is adapted to daily work at S-Pankki and the core ideas of the method are used and applied in practise in marketing management and brand development in the case company.

The final question of the first interview theme was how S-Pankki is planning to reinforce it's customer relationship to the younger digital native banking customers. The idea behind the last question was to understand how S-Pankki is planning to capture a critical customer segment, the youngsters, who in many ways often act as innovators and early adapters of products and services and can either accelerate or significantly slow down the adaptation of new digital innovations to the larger group of customers. As the customer behaviour of this younger digital native generation

changes quite rapidly, one of the interviewees recounted that S-pankki should understand what kind of a world does these digital natives live in.

”[Y]oung people don’t have any limitations on what they can do and cannot do, should they think in a specific kind of way – they just go and do things.”
 (Expert 2)

The same expert presented that mobile could be a way for the younger customers to learn about their personal economy and banking and they could be involved in the development of this learning experience process as otherwise it is hard to understand their point of view. Another respondent discussed that digital natives should have their own specific value proposition that includes two things: first, the services and services features should be the kind that appeal to the younger generation and secondly, S-Pankki’s mission for the younger customers should be to help them find even better first jobs. This specially targeted value proposition along with the brand image of a challenger bank that is digital, lean and agile could be an attractive choice for young banking customers and these elements of brand identity go well hand-in-hand with the theory chapters proposed framework. This brand image of S-Pankki would serve as a point of difference in the Finnish financial services market when this digital banking brand is redeemed with a superior digital customer experience and intuitive user interfaces in the digital banking service offering provided by S-Pankki.

”[F]acebook was used to recruit a group from which we got comments during different phases. First we asked what should you have when you travel out there in the world. We were making a banking application – they said that they want to know their bonuses. Only at that point, we understood that hey, we are this retail store and a bank, should we combine these two eggs into the same basket and start doing this thing together.” (Employee 5)

This example of S-mobiili’s first version and prototype is a practical use case of how customer feedback can drive the design process of the prototype or minimum viable product in a customer-centric way and how important it is to involve a group of customers in the different development phases of the process to truly make the final product or service user-friendly. This example of S-mobiili also supports the concept of the customer feedback loop (Ries 2011: 75-76) from the Lean Startup theory and gives further validation to the theory chapters framework as one of its key ideas is

already been tested and proven useful in practise at the case company and that this idea could be a more broadly used best practise in the company in the near future.

The concept of the digital bank is quite broad and partly fragmented without a single universal description of what distinctive elements and features it includes. The first interview theme of building a digital bank provided some really interesting ideas and points on how S-Pankki should pursue the digitalization process of its organization, what kind of digital service offering it should build and what kind of digital banking products and services could meet the demand of different customer segments such as the younger digital native customer. The answers for the first interview theme included solid evidence that there is a bridge emerging between the theory chapter and the empirical case material and this initial evidence serves as a starting point to the second part of the interviews which theme was brand development as a continuous innovative process.

4.1.3 Brand development as a continuous innovative process

The second theme of the interviews was brand development as a continuous innovative process and this theme included eight research questions which were intended to find out what are the current practices of brand development at S-Pankki. The purpose of this section was to lift up the problem areas that create friction in brand management at the moment and through discussion, figure out possible solutions and development ideas how to develop the brand development into a consistent, dynamic and comprehensive company-wide process. The fundamental idea of these questions were to shed light on how these organizational problems that hinder innovativeness and disruptive thinking could be solved and developed further so that the practical process executed at S-Pankki would have more common touchpoints with the theoretical framework presented in the theory chapter of the thesis. The questions investigated these problems by asking about the brand vision and identity of S-Pankki, how and by whom the brand is developed, how different elements such as omnichannel have been taken into consideration in brand development, what are the problems currently in the process and how these issues should be tackled. The answers helped to construct an understanding of the brand management practices in the case company as well as define some key focus areas to accelerate progress of the brand development efforts in the future.

The first question of this theme asked what is S-Pankki's brand vision in your opinion and many of the respondents replied by saying superior easiness and benefit which are the two main elements determined in S-Pankki's brand positioning. These two elements underline that S-Pankki is the go-to bank in daily financial matters, brings the best value for the customer-owners of S-ryhmä and acts as the common man's supermarket bank which is part of the community. The brand vision of this cooperative companion in everyday banking transactions was consistently internalized within the interviewees and they also talked about how digitalization can act as a means to implement this brand vision by enabling the brand to be easy and beneficial for customers.

The next question of this section asked what are the key elements of S-Pankki's brand identity by mentioning three adjectives and the interviewees replied with a variety of terms from familiar, understandable, finnish, common, friendly, respecting, fair, relaxed to easy and beneficial used in the brand positioning of S-Pankki. One employee stated that S-Pankki is agile, youthful, progressive and non-flamboyant and doesn't belong to the same industry box and segment as the other banks do. Another interviewee was much more critical about S-Pankki's brand identity and replied by saying that it doesn't consist of anything at the moment as currently the brand identity is only the green color and it's logo. This question validates the idea of how important it is for the brand's employees and for everyone that contributes to the development process of the brand to have a consistent view of what is the brand's vision and the different distinctive elements of the brand. Without clear brand guidelines and attention to consistency, the brand development process is subject to fragmentation and loss of focus as intangible things such as brand vision and elements are always more or less subjective things that can easily get mixed.

The next question continued by asking the interviewees what kind is S-Pankki's brand development process at the moment and many of the responses highlighted the point that currently there isn't a systematic way or process of developing the banking brand.

"[B]rand development process isn't done in a systematic way at the moment."
(Expert 1)

"[W]e don't have any kind of a systematic brand development process as things are developed and the brand is kept in mind at the same time."
(Employee 1)

”[B]ut then it breaks down here in the middle management or in the executing level. I hope that everyone would reflect in the morning when they continue working forward that is this really the kind of work that is in line with the goals that we have set as in my mind it easily falls apart and then the brand starts to dissolve into different directions and so the words are different compared to the actions.” (Employee 3)

These three quotes among many others represent the third building block of the bridge between the theory chapter and the case practise as S-Pankki evidently has the need for a more systematic and continuous (Kapferer 2012: 121, 204-205) way of developing their brand. This once again brings further validation to the demand of the constructed framework (Retelling Kirchner et al. 2012: 75; Kim & Mauborgne 2005: 16; Verganti 2008: 444; Ries 2011: 75) at the case company as there is a lack of consistency, continuity and established routines in the brand development process. Tackling these problems and establishing an agile culture or testing, learning, iterating and consistently improving and innovating would create a solid base for long-term success in brand development as the brand would stay sensitive for change and be able to react to quick shifts in consumer behaviour at the right moment.

This ability of reacting quickly to changes is an essential feature in the age of digital disruption as brands might need to invent themselves and their core business from scratch when an agile disruptor disrupts their business model and makes their current business obsolete over night. This means that brands need to be constantly on the move, look for new blue oceans and surprising business development areas and through a systematic brand development process they are able to manage this ongoing transformation process more easily. By implementing a systematic framework such as the disruptive brand development process for S-Pankki, could help the banking brand to drive forward its digitalization efforts in marketing as well as create the ability to make well-timed brand disruptions through unconventional brand marketing.

The answers to this question also helped to discover the fourth building block of the bridge between the theory and the practise as one interviewee referenced below talked about the importance of brand vision (Stengel 2011: 7-8, 37-59; Kapferer 2012: 32-33, 121) and why (Sinek 2009: 37-39) discussed in the theory chapter.

"[W]hy starts slowly to come from somewhere as at the moment why is in the level of the vision – superior easiness and benefit. But it hasn't yet come down to what does it mean for marketing" (Expert 2)

The message of this quote was developed further by other respondents as one interviewee described that S-Pankki's current brand development consists of making marketing campaigns that are sales-oriented and action calling and the main message in these campaigns is clearly functional and commercial. This means that the current unsystematic brand development process at S-Pankki might create friction and dissolution of the brand vision and the core message of the brand strategy along the way from top of the organization to the implementing part of the organization. When the brand vision doesn't resonate throughout the company, this prevents the employees from having a consistent understanding of why does the brand exist, what does the brand believe in among other essential core brand ideas that are important for everyone to understand when participating in the process of developing the brand. One of the key ideas behind the disruptive brand development process framework is to establish an ongoing two-way conversation between the strategical organization level and the tactical implementing level of brand developers by enabling transparent transmission of the brand vision to the entire company and all employees.

"[I] claim that there is a gap between the brand strategy and practical implementation. The practical implementation is partly done with tactical drivers that develop the campaigns and that is a weak brand process which results in an unstructured and fragmented brand." (Expert 4)

Brand management, brand development, brand identity etc.. is the terminology commonly used by marketers and one employee lifted up the point that in the whole organization of S-Pankki, not so many does use these terms or think that they are developing the brand - they perceive that they are doing the easiness and benefit that were chosen as brand positioning qualities and they are executing these elements. This detail tells about the larger problem of marketing's general lack of credibility in the top management level as in a lot of traditional organizations and industries it still doesn't belong to the corner office and is perceived as a mere support function.

Another employee of S-Pankki urged that the brand is an important asset of the top management as it is an efficient way of explaining goals to the staff. The interviewee revealed that the brand development of S-Pankki is purely subordinate to the

implementation of the competitive strategy and this is the reason why the progression of the brand development process is in a good stage as it is on the agenda of the top management.

"[I]t is essential to understand that more and more today you lead with the brand. You don't talk about brand management, you talk about brand leadership and how can you lead with your brand. This is usually forgotten but the central target group of the company's brand is the staff as dictation doesn't work, it has to be crowdsourced and done together." (Employee 9)

The same employee continued by saying that strategy should be dressed up as a story and one thing that is important is the moving picture as the interpretation of one's own experience is larger when you have the strategy on a piece of paper. This is why the employee emphasized that strategy shouldn't be implemented on paper but rather through a movie as then the final interpretation is a much more homogenic. The brand can be an effective way of summarizing the strategy into a story and by visualizing this story through video, the top management can use the brand to lead their company and implement their strategy effectively with scale and most importantly with consistency.

The fourth question of this section asked how are the brand development decisions made and by whom and some of the interviewees stated that they are made in the top management level but they aren't necessarily systematically lead to the implementing part of the organization as there is a communication gap between these two and a need for a communication platform which could be used to discuss these brand development matters together. One interviewee was frustrated that the lack of leadership in overall brand development has resulted in that the implementation of the brand has been divided into separate organizational silos which do product marketing for separate products instead of the brand development work cumulating into general brand equity and brand awareness. Many of the respondents agreed with the interviewee that product marketing doesn't work anymore and the current way of doing marketing in different silos isn't a sustainable way of developing a banking brand.

One employee of S-Pankki brought up an example of how organizational silos occurred in product development as the respondent recounted different situations where product developers had handed over products that weren't designed easy to use from the

beginning and asked if the employee could write and communicate these products easy. This example suggests that organizational silos at S-Pankki might be a bigger problem in general and one key issue that should be tackled immediately. This problem of organizational silos helps to cast the fifth building block of the bridge between the theory and practise as interdisciplinary working (Johansson 2006: 19-20; Van Rensburg 2013: 201-206) is discussed in the theory chapter and suggested to be the way to prevent the kind of situations described by the S-Pankki's employee from happening.

Working cross-organizationally and through interdisciplinary project groups, the starting point for R&D and brand development for example is much more comprehensive and heterogeneous as the different background of employees compliment each other and helps them to discover new and sometimes unconventional ideas that could be the seed for the next internal disruption that drives the growth of new blue oceans of the company. These crossroads of different organizational functions often serve as a key ingredient of innovation as even the late Steve Jobs talked about the intersection of technology street and liberal arts street and the importance of interdisciplinary work at Apple in his keynotes.

The next question of this section asked how is digitalization taken into consideration when developing the brand of S-Pankki and one key takeaway from the answers to this question is that many of the respondents highlighted the importance of digital actually creating tangible extra value for the end-customer. Digitalization in itself doesn't bring much value to the customer but when it is used to improve the user experience and easiness of use of S-Pankki's service offering, then it becomes a well-argumented element and an important part of the brand. One interviewee shared a thought that S-Pankki should get away from the conventional way of doing marketing and genuinely start to make a digital content brand which usually requires the tearing down of all the organizational silos and sometimes even killing the traditional legacy part of the company completely.

Another respondent emphasized the importance of having a digital first way of thinking in marketing as the brand development of S-Pankki has been print-first and now the same concepts are brought into the digital world. Digitalization enables the brand to do more with data and creates new ways and methods of developing the brand with the insights lifted up from the customer data which helps to add automation to the customer service experience resulting in a more dynamic digital brand

experience. One employee of S-Pankki was excited about the limitless possibilities that big data enables companies to do and how it can help the brand to do better service design and customize services more specifically for each individual customer.

"[T]he brand develops digitally more than never before. Digital service experience creates the brand experience." (Employee 9)

The next question of this theme section asked the interviewees how is the concept of omnichannel taken into consideration when developing the brand and respondents replied by saying that S-Pankki's marketing is still rather channel specific and doesn't have a consistent omnichannel brand experience. The current multichannel way of doing marketing in S-Pankki is caused by the existing organizational silos, the focus on product marketing instead of developing a company brand and conventional sales-driven campaign advertising. One interviewee said that this omnichannel approach isn't specifically taken into consideration in the brand development of S-Pankki but it is definitely a part of the brand development process which needs more attention and resources to unify the brand experience in different channels from brick and mortar retail markets to mobile applications.

"[E]verything is done too much in silos. They should have a stronger customer value inspired...the development of these different channels should be so that the service experience is more consistent and that the channels support each others more strongly." (Expert 4)

Developing a coherent omnichannel brand experience for S-Pankki requires the participation of the entire organization as it needs the seamless cooperation of different business units from marketing and communications to business development and R&D. The role of the top management of S-Pankki is essential in realizing the omnichannel banking experience as it requires strong brand leadership and powerful communication of the brand vision so that it resonates throughout the organization from the ABC gas station burger restaurant worker to the mobile application developer at S-Pankki and result in a consistent brand experience in all the possible customer touchpoints in different channels. This omnichannel vision of doing digital marketing is as important today as ever as one employee of S-Pankki talked about how there is going to be a shift from omnichannel to "everychannel" and soon after this we will end up in a situation were everything just works seamlessly and everything is channelless as the customers don't care about the channel – they care about the brand.

The seventh question of this section asked probably the most direct question of the whole interview as it asked what are the essential problems of S-Pankki's brand development. The answers covered different levels of brand development and the comments varied from criticizing the lack of understanding customer behaviour to fine-tuning the brand vision that leads the whole development process. One respondent presented criticism that the product silos are the primary source of all problems and as long as they aren't fixed, no significant progress can be made in S-Pankki's brand development. This comment calls for stronger brand leadership and clearer decision-making hierarchy and delegation of tasks in brand-related issues so that everyone is on the same page and is doing the right things at the right time.

"[T]he customer experience isn't being developed, it develops in organizational silos as different units do different things that affect the customer experience but they do them in silos because the definition of the customer value isn't strong enough to drive the development process." (Expert 4)

"[S]ilos are the biggest internal roadblock. Otherwise, the one who detects and removes the silos are the customer as they notice them eventually as bad customer experience." (Employee 9)

These quotes point out that the often referred organizational silos are a major hindrance for the development of the customer experience and they prevent the brand's employees from building a general shared perception of what is the customer value proposition for S-Pankki's customers. Two of the interviewees spoke about the lack of understanding consumer behaviour in general and making too big assumptions on how banking customers behave and receive their marketing.

"[I]n my opinion, the biggest problem is the lack of understanding consumer behaviour. The perception of the customer is that they stand out there in the street mouth wide open waiting for our next announcement." (Expert 1)

[T]his is a low interest business – people don't wait there for S-Pankki to release the next obligation advertisement as people are interested in more on how they can get their money to grow. The biggest problem really is that there isn't a plan that has clearly set long-term goals and milestones as almost

always when S-Pankki has a brand campaign it's completely different and the only common denominator between them is the colour..." (Employee 7)

Making assumptions on consumer behaviour that go too far can be treacherous and misguiding and as the current pace of consumer behaviour change is accelerating, perseverance combined with deep customer data analytics can be a successful mix for understanding the banking customers better.

Two of S-Pankki's employees lifted up again the problem of being too product focused in S-Pankki's marketing and brand development efforts and stated that this current organizational structure also creates a problem of internal communication. Both of them offered a solution to solve this communication problem the first being a suggestion of an organization that includes an interdisciplinary structure so that no one in the company gets to do their thing alone for too long. The idea of the proposition was that the process is managed with SCRUM or with a similar agile software development tool and described how product concepts would go through a screening in different business departments from communication to processes to finances and how this could help to better manage the service offering and make the product development process more agile and most importantly more comprehensive by involving all the relevant units to the process. The other proposal had similar kinds of thoughts talking about a communication platform that would increase dialogue inside the company and especially between the top management and the middle management which at the moment has a lot of freedom to make choices that concern the brand without them being subjected to revision. The suggestion didn't include any specific details on the nature of this platform but spoke about how it could help to get the internal processes of S-Pankki in order and with better communication help all employees to be able to contribute and participate into the brand development process. One concept of this communication platform could be the sort that enables crowdsourcing brand development ideas from the entire company but still has separate conversations where the main decision makers and managers discuss about strategical features of the brand development process.

Two of the respondents stated that the biggest problem in brand development is the print-first mindset which has resulted in that the brand has been developed according to the terms set by the production as the means has sometimes become more important than the ends which is the customer. This point was joined with the fact that the number of simultaneous marketing campaigns of S-Pankki has blown out of

proportion as with as much as eight live campaigns at the same time being marketed for customers. This inevitably leads into fragmentation of the brand as the experience can be a pretty wild one for the customer with so many campaigns on top of each other being marketed at the same time.

The whole idea of a brand is to act as a shield for the company when tougher times arrive and by having space in the customers mind the brand can achieve a top-of-mind in it's own category. S-Pankki's brand vision is to be the easiest and most beneficial partner in daily financial issues and in order to reach this goal it needs to change the products focused marketing to overall brand development, solve the internal communication problem through a functional interdisciplinary platform and build a stronger understanding of consumer behaviour with big data analytics and put these insights into action with marketing automation.

One brand development factor that can bind all the above mentioned points together is that it is mandatory to establish a culture of failure to S-Pankki which means that there is a more entrepreneurial mindset that energizes people to try new things more fearlessly and innovatively without mental barriers holding back. Some of the interviewees mentioned the phrase "banking business is trust business" and this should of course be taking into consideration when planning this culture of failure and take into account that S-Pankki is part of S-ryhmä which is a cooperation group owned by the customer owners. However, this shouldn't be an obstacle but quite the opposite, an opportunity to engage all the customer owners by crowdsourcing ideas and innovation power into the brand and get validation and feedback for new product and service concepts that are tested and improved in the company's interdisciplinary project unit. When the experimental nature of these projects is well-communicated to all customers, this dialogue and interaction between the customer and the brand can result in a significantly improved customer experience along with a lot of new and exciting banking services.

The next question of this theme asked how could these problem areas be developed further and the interviewees provided pretty concrete next steps suggestions highlighting that brand development work takes time, it requires long-term commitment and sufficient amount of resources and needs to be lead top-down with the entire organization participating in the process.

"[B]rand development work needs to be started right now because it takes time and it needs to be allocated enough resources. We can no longer reach the set goals with product silo marketing, we have to start building the brand. We should be able to find relevant contents but we can't find those contents if we don't understand the customer and its world properly and that requires the understanding of consumer behaviour." (Expert 1)

One interviewee stated that the top management has to embrace this problem and dedicate enough time for this as it can't be the marketing departments lead project alone as this kind of brand work concerns everyone. The interviewee continued by saying that brand should become a strategical tool in positioning the company and a way to grow revenue and when everyone in the company pulls together, a scenario such as omnichannel can be achieved and used that to redeem the customer value proposition.

Another respondent argued that solving the problem areas start with Why and when the Why of S-Pankki is clear the top management needs to lead more specifically over silos so that the customer value starts to actually materialize and to reach this goal S-Pankki will need to do some organizational changes.

"[M]ore strongly from bought media to earned and own media which requires a change in the strategical approach by utilizing new tools, partnerships and organizational habits and that results in agility and new customer value when you test new things lean and agile you start to learn what works and what doesn't" (Expert 4)

One respondent condensed the solution into one idea which was that the brand is all about action and not about communication and S-Pankki should think how they can get their daily routines in order and not about how they can improve their communications. One employee of S-Pankki talked about this same issue describing the company as an email pingpong organization which sends a lot of emails, too much emails, with too many receivers but none of the tasks get done in the end.

"[I]t would mean that you have all these kinds of new application spin-offs and the like so that you can go beyond the boundaries of the bank and develop services outside of the bank. It would require full-time effort so that it isn't anyones sideproject and that person would lead the whole innovation and then

you take startups aboard and ask them to ideate and compete. You could be a seed investor so that ideas will come and you choose but you can also internally look for intrapreneurship which commonly seems to be missing from companies and great ideas that you would start to push forward" (Employee 6)

The above quote helps to discover the next link between the theory chapter and case practise of this thesis and is the sixth building block of the metaphorical bridge as it describes the importance of looking for blue oceans (Kim & Mauborgne 2005: 16-18) and the potential that startup collaborations (Van Rensburg 2013: 201-202, 204-205; Accenture 2014: 8) and intrapreneurship (Ries 2011: 8-9; Van Rensburg 2013: 201-205) have for incumbent companies. The quote also lifts up the important fact that leading this kind of innovation program is a full-time job and requires full commitment from the chief innovation officer for the venture.

The next question of the second theme asked the respondents what are S-Pankki's most important marketing activities and the interviewees proposed a variety of ideas what should be the focus of S-Pankki's marketing efforts from this point on. One interviewee debated that S-Pankki should work it's way up to the top-of-mind of it's customers and when people think of a loan or investing or saving money they think that S-Pankki could have a solution for their problem. This requires that customers have an attribute in their head which is called S-Pankki that represents the brands elements to the customer as brand is a state of mind and currently there isn't anything there.

Another respondent stated that the most important activity of S-Pankki's marketing is to communicate the meaning of the brand core to the customer coherently and excite and educate the customer so that they understand that S-Pankki is genuinely making their banking experience easier and more beneficial. This can be achieved through dialogue with the customer and by establishing a mutual understanding of what are really the most important demands of the customer the brand can truly build a customer-oriented service experience. When the service experience is more customer-oriented, people will start to use S-Pankki's products and services more often then the brand can focus more marketing efforts in customership marketing which was lifted up by one of the respondents.

One of S-Pankki's employees described the importance of using brand stories to opening up and communicating the essence of the brand vision to the customer and

this way explaining what does the brand stand for and how can S-Pankki offer easiness and benefit for it's customers. Another employee of S-Pankki stated that marketing automation and setting up customer targeting are the most important activities of S-Pankki's marketing so that the brand can lower it's marketing costs by moving away from expensive outdoor marketing campaigns and move into collecting and building interest banks of people.

"[W]e have to start actively to collect and use our own registers and channels and definitely start developing a somekind of lead system. We should be more voraciously interested in the customers actions in the website and what are the things that create friction for the customer process and not just focus on making the next marketing campaign. We could supervise much more rigorously when we would achieve more cost efficient way of doing things."

(Employee 3)

"[T]he most important activity is that we involve data more closely in and start automating by thinking things from digital and mobile perspectives. We try to make progress by using smaller bets to get bigger results and visibility and that requires more targeted storytelling and automation in marketing messages"

(Employee 6)

These quotes bring up the point of how marketing automation and the more effective use of customer data can bring cost efficiency to brand development and the persistent development of digital marketing and IT systems in S-Pankki is more important than ever. One employee of S-Pankki summed up this question by saying that the most important marketing activities of S-Pankki are developing and clarifying the brand and setting up tangible shared goals for the marketing and business departments and these two can be achieved by being congruent and consistent in the brand development process.

The final question of the whole interviews asked how has the integration of FIM's and LähiTapiola's daily banking customers been taken into consideration in S-Pankki's marketing and the answers shed light on how much this kind of integration process requires resources and planning. One interviewee started by saying how the integration process drains resources in the organization from a lot of important activities but the clear understanding of the brand vision and the Why of S-Pankki could help reduce

friction caused by the integration process and create a feeling of a common shared goal for the employees.

One employee of S-Pankki stated that the integration process has been managed poorly as there is a gap between the real world and communication which is a problem that the brand should focus on more. Another employee narrated how action plans, customer researches of different customer groups have been done along with a lot of excel sheets but the practical implementation doesn't match the plans due to technical problems, lack of time and tight budget. The integration process has also created it's own silo between itself and the regular activities in S-Pankki and this is a major problem in the brand development process as the integration unit is responsible for a lot of changes that have huge influence on the customer experience of S-Pankki, FIM and LähiTapiola's customers.

One employee presented the idea of developing co-branded products between FIM and S-Pankki and using these to create more synergies to the brands that at the moment have very different types of customer groups.

"[T]he important thing here is a certain type of smart cross-selling and in the core should always be the customer." (Expert 5)

One employee continued even further from the cross-selling and said that the brand have been kept too separate from each other keeping them that separate from each other might not be the best solution as the strategy of two or three brands seldomly works very well especially in this sort of situation where the main brand is quite small.

"[I]'ll answer with a bakery example: when Fazer bought local bakeries there were.....first....if it bought Salonen's bakery it would first be Salonen powered by Fazer...and then in half a year the package would be changed to Fazer's package saying Fazer powered by Salonen and eventually it would be taken off completely." (Employee 9)

The above quote is a great example of how a brand can carefully manage it's brand hierarchy and when buying other companies what are the methods of managing the transition. Another employee suggested that the next step in the integration process is something that should have been done a long time ago which is taking the customers aboard to the integration process and testing and figuring out the solutions to the

problems together with the customers. This suggestion is arguably well-grounded as how else can the brand be truly customer-orientated if it doesn't involve the customers to the process at some point?

The final official question of the interviews was followed by a wrap-up question of how would the interviewees wrap up their comments and it proved to be a good way to summarize comments, thoughts and ideas that had been accumulated during the discussions. One interviewee started by telling how the concept of the supermarket bank is what makes S-Pankki unique and that it is a part of the retail business and S-customerhip is in the core of everything. The respondent continued by saying how the digitalization that is built on top of this supermarket bank has to support the customerhip of the supermarket and when this is achieved it has an incredible opportunity to be an innovator and a pioneer inside S-ryhmä and drive the digitalization process of the whole retail group.

Another interviewee summarized by saying that S-Pankki is in a great position for three reasons which are that they are small compared to their competitors which brings agility and pressures them to be unconventional and look at things more from a different perspective, they are a part of a retail chain where lie possible synergies and the cooperative background and the set of values that rise from the company's heritage can help to find new and interesting elements that develop S-Pankki's brand further and do the same that ABC did in the gas station business.

Other respondents focused on delivering their last critiques as one interviewee said that currently S-Pankki is spending too much money on too many things as the same steps in customer acquisition are taken too many times and urged the brand to be more consistent in brand development and do less things through the traditional mass media and focus more on the digital marketing channels. One employee of S-Pankki commented that currently the company doesn't have any criteria on what does their brand positioning elements of easiness and benefit mean and the brand lacks a tangible customer value propostion such as that the customers loan application will be processed in 24 hours time. This transparent value proposition could make the evaluation of the performance of these brand attributes much easier and the employee suggested that this should be combined with a guidebook of standardized terminology used in the company's communication to make S-Pankki's communication efforts more consistent and integrated.

Another employee mentioned that the essential challenge at the moment is integrating three organizations and their IT systems together into one system and it takes a lot of energy and resources to pull through this process. The employee continued by saying that this is the perfect time to start planning for the future as when more resources are released there should be a clear roadmap of how to move forward and accelerate growth. The employee also talked about digital disruptors and the marginalization threat of traditional banks.

"[I]n the U.S for example.....they have noted that.....customers weren't satisfied with online banking services provided by their banks and that resulted in the emergence of companies that build their own user interface on top of the old bank's online banking service without asking for any permission. The customers just gives the company a permission to use the old online bank in the background and their business model is based on a damn good user interface and they can have several banks running there in the background. These Uber cases and others are great examples of how things can change quickly...."

(Employee 5)

This quote along with the case examples of Holvi, ApplePay and Simplebank provided earlier in the interview answers help to install the seventh and final building block of the bridge between the theory and practise in the thesis as they serve as textbook examples of disruption (Christensen 2011: xviii, 264; McQuivey 2013: 8-9), the newer concept of digital disruption (McQuivey 2013: 3, 7-11) and how disruptive competitors (McQuivey 2013: 14-15) challenge the way incumbent companies do business with new unconventional business models and sophisticated user experiences.

"[E]very now and then I feel like we can't look at things in that sort of way...that kind of radical innovation. That we can really see completely out-of-the-box as we always have the box here around us" (Employee 5)

This problem of being stuck in the box of your own industry is a typical factor that creates friction from new product development to more comprehensive issues such as the inability to find new business models through blue oceans and it can be major hindrance preventing the company from creating internal disruptions that help to grow new business units that eventually might grow to be the main source of revenue. The next section of this chapter goes through the key findings discovered from the interviews, presents some key focus areas for S-Pankki to take more into consideration

in the future and uses the empirical findings to build the elaborated model of the theoretical framework to fit the specific needs of S-Pankki.

”[I]f the sledgehammer needs to hit, it has to hit hard” (Expert 2)

4.2. Developing S-Pankki’s brand development process

After the rigorous analysis of all the research material of the thesis and three rounds of reading through the conducted theme interviews, seven building blocks have been discovered and planted in the theoretical ground of the thesis to secure a safe passage of the researcher from the theoretical realm into the world of practise and the case context of S-Pankki. The seven building blocks that enabled this journey included a wide range of different theories including the blue ocean theory, the lean startup, the virtuous cycle of innovation, the brand system, the ideal tree, the golden circle, strategic brand venturing, disruptive innovation and digital disruption.

These theories represent the majority of all the frameworks and theories that were discussed in the theory chapter and merged together into one synthesis framework which is the disruptive brand development process model. Next this chapter will develop a roadmap plan in the form of a list of key focus areas for S-Pankki to develop its brand development practices further and improve their process in the future.

4.2.1 Roadmap for S-Pankki’s digital development

The one big theme that emerged from all of the interviewees was the concept of the supermarketbank which ties together all future development efforts from marketing automation to the integration of the IT systems at S-Pankki. This means that all development activities should support this brand vision and a possible future roadmap should only include steps that are the utmost urgent in the development process of this concept as resources are pretty tight at the moment. The below figure 12 depicts the concept of the supermarketbank and shows S-Pankki’s relations to the other business units in S-ryhmä’s ecosystem.

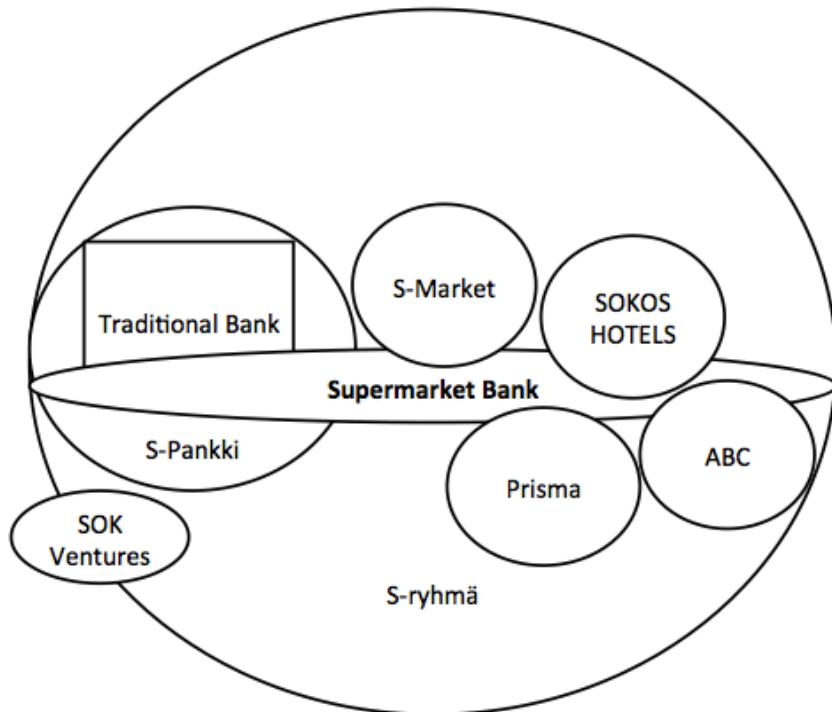


Figure 12. Supermarket Bank

The figure exhibits how the legacy part of S-Pankki is bounded by the traditional banking industry's way of thinking as the industry's framework box restricts the bank from exploring opportunities outside of the box. However, the cross-cutting oval block represents the concept of the supermarket bank that cuts through the entire graph and all of the business concepts of S-ryhmä by handling their transactions as the bank of the whole retail group. This supermarket bank is the digitalized and advanced version of the traditional S-Pankki as it is more lean and agile, it's less restricted by the boundaries of the traditional banking industry and it has more possibilities of creating synergies with other business concepts inside S-ryhmä. The new supermarket bank could collaborate for example with SOKOS Hotels to develop a peer-to-peer digital loan service which only provides apartment loans so that the customers of S-Pankki don't have to stay in SOKOS hotels for longer than a weekend and uses S-ryhmä's customer-owners as the base to raise the loan money. Another possible collaboration could be a mileage-based car insurance system that would make use of the ABC's gas station network and S-Pankki's S-mobiili by handling your insurance activities through the banking app and getting bonuses as a reward for using this "S-Autovakuutus".

SOK Ventures and the large number of startups that are participating in to the program offer a lot of potential for leveraging the concept of the supermarket bank by bringing innovation power in the form of new and often unconventional ideas, entrepreneurial ways of solving problems and more agile methods of executing projects through hackathons and sprints that can act as an efficient way of solving a specifically framed problem in a very limited amount of time. In return, the supermarket bank can offer the startups resources, present specific kind of problems as projects that need to be solved as well as open up their customer database for example an open data hackathon that can result in a lot of interesting new product and service concepts for S-Pankki and the whole S-ryhmä.

The concept of the supermarket bank includes a lot of potential and opportunities to scale the current banking business of S-Pankki to the next level and the themes of the interviews, building a digital bank and brand development as a continuous innovative process, are at the core of this digitalization process. The brand identity prism (Kapferer 2012: 158-164) presented in the theory chapter was used to analyze the current state of S-Pankki's brand identity as well as to make a suggestion on how the brand identity could look like in 2020 based on the interview answers of the research. The brand identity prism of S-Pankki in 2015 is depicted below in figure 13 with the different elements of the prism portraying S-Pankki's current brand identity.

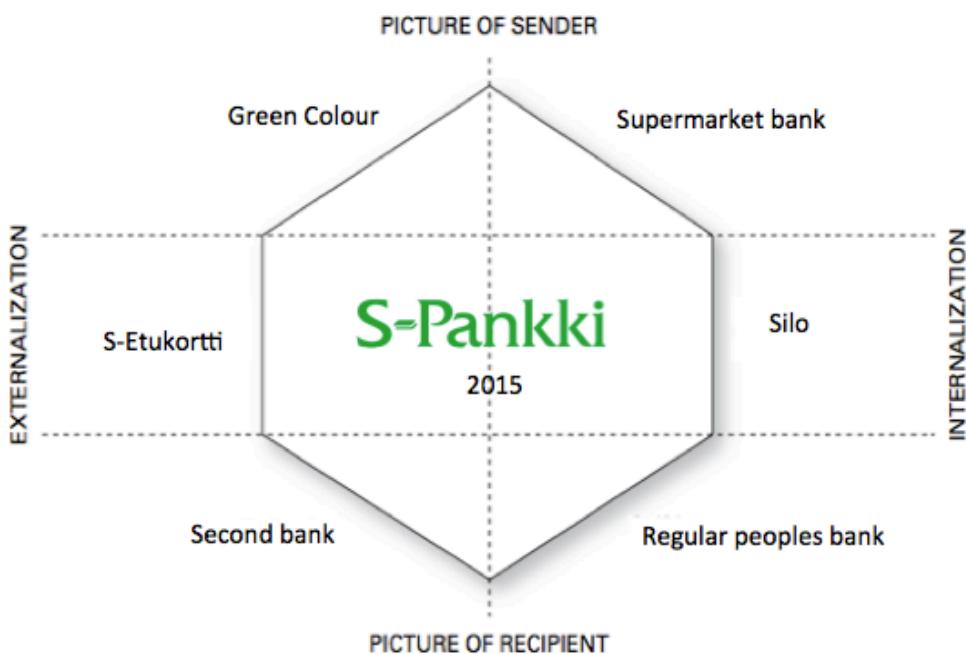


Figure 13. S-Pankki's brand identity prism 2015

The current brand of S-Pankki is recognizable through the green colour of the brand, the relationship with most of the banks customer's is built with S-Etukortti and the bank is perceived as the second bank after the first one that customers have their appartment loans from. Internally, the brand is seen as the supermarket bank that provides services for regular people but unfortunately the current organizational silos create friction, communicational gaps and the ongoing integration process compounds this siloed company culture.

Despite the current challenges set by the integration processes, some of the interviewees were very optimistic of S-Pankki's future as the brand has all the necessary resources to achieve and redeem the brand's vision of the supermarket bank in the near future. Based on the interviews and the current situation of S-Pankki's brand, a second version of the brand identity prism was made for 2020 depicted below in figure 14 which acts as sort of a design driver to the future brand development efforts of S-Pankki.

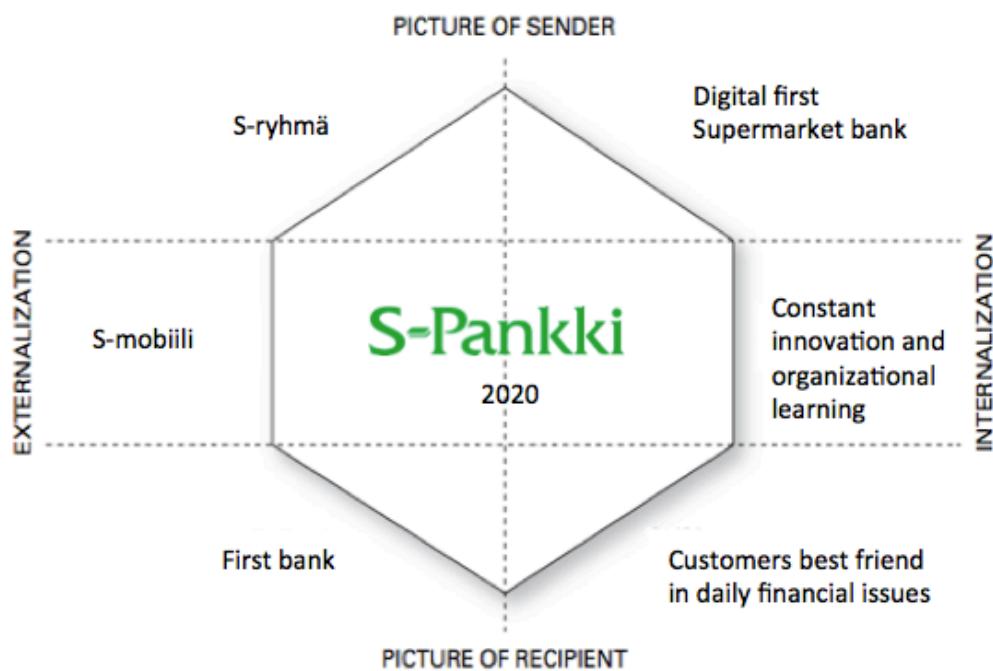


Figure 14. S-Pankki's brand identity prism 2020

As one of the employees of S-Pankki described in the interviews, the future brand of S-Pankki is an integral part of S-ryhmä and this is why the physique of the brand is perceived by customers as S-ryhmä in the future. Many of the respondents brought up

S-mobiili in the interviews and with the growth mobile adaptation especially in the older customer groups the mobile banking app will become the main customer channel and foundation of the customer relationship by 2020. As S-Pankki grows older and becomes more established as a financial services provider, it has a major opportunity to turn the customer reflection of the brand's identity from the second bank to number one bank and this is one of the key development opportunities that lie ahead for S-Pankki in the next five year time period.

The development of the internal side of S-Pankki's brand identity is especially driven by the digitalization of the organization together with the vision of the supermarket bank as the future brand personality of S-Pankki could be digital first supermarket bank. The self-image of S-Pankki's brand should definitely be the customers best friend in daily financial issues but as companies are made of people who make the company culture, this whole future vision of S-Pankki's brand identity in 2020 is only possible if the company breaks the current organizational silos.

When S-Pankki manages to get rid of it's current silos, the brand's culture has the opportunity to be about constant innovation and organizational learning and this transformation can be enabled with more transparent and open conversations between business units, interdisciplinary project groups, involving the whole organization in the brand development process by developing a crowdsourcing platform for brand development ideas and most importantly energizing the whole company with a digital brand vision that resonates throughout the company creating a shared journey of what is the brands future goal everyone is working hard to achieve.

In order to realize the vision of S-Pankki's brand identity in 2020, the company needs a structured action plan which serves as a roadmap for building a digital bank and developing the routines of S-Pankki's brand development process into a more innovative and agile direction. As the interview results of this research confirm, these two themes are inseparable and they both need to be taken carefully into consideration when building a plan of how to transform S-Pankki into a fully digital customer-orientated supermarket bank. Figure 15 below depicts a four step action plan of how S-Pankki should start pursuing it's set goals on becoming a supermarket bank and drive the digitalization efforts of it's brand development.

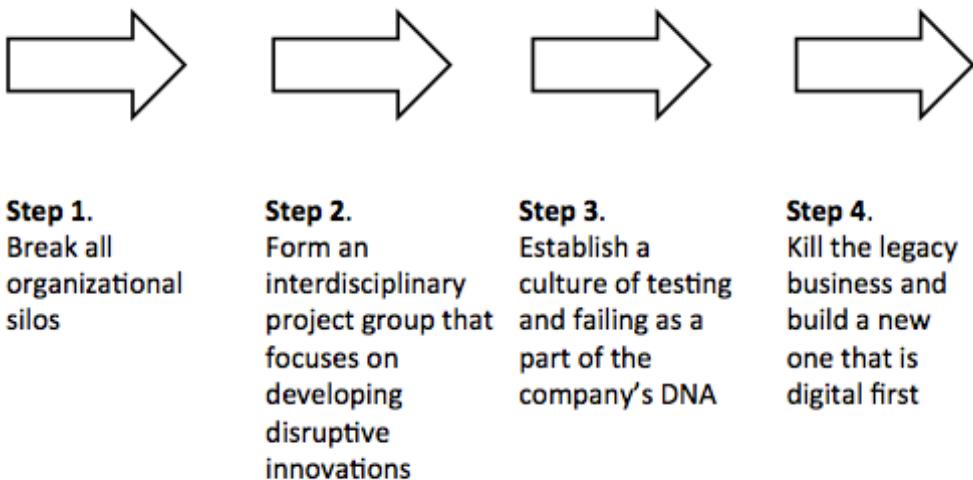


Figure 15. Action plan of S-Pankki's digital development

This four step action plan is a way for S-Pankki to kickstart its digital transformation process and the first step of the action plan is the most crucial and probably the hardest one as it requires the company to break all organizational silos. Succeeding in the first step is the key part of launching the whole digitalization process of S-Pankki and the transformation starts from the people and their mindsets which have to be disrupted first in order to change the company culture. The employees of S-Pankki need to live up for the cooperative heritage of S-ryhmä and start being more open and transparent in internal conversations between teams and business units and one potential way of accelerating this change could be an open crowdsourcing platform for S-Pankki's employees to gather up ideas for different projects, vote on them and choose winners which continue to product development and this way utilize the collective innovation potential of the whole company.

The next step of the action plan is to form an interdisciplinary project group that focuses on creating disruptive innovations and the point of this phase is to embrace the idea of cross-functional project working as usually the best ideas come when the team that is working on the problem has a rich and diverse background from different fields. The idea of this interdisciplinary project group is similar to the special projects group or SPG used at Apple since 2002 which has helped to create new category-defining products such as the iPod and iTunes, the iPhone, the iPad and most recently the Applewatch. This interdisciplinary innovation group is like a startup inside S-Pankki that ignores all of the current business goals and responsibilities by focusing only on

creating new world-class user experiences that challenge the present products provided by the company. In the long-term, the idea is that these new disruptive banking products help in killing the old cash cows of S-Pankki and replacing them by becoming the new top profit making products.

The successful implementation of the second step lays a solid foundation for the third step which includes establishing a culture of testing and failing as a part of the company's DNA. The disruptive mindset that is the daily mentality in the interdisciplinary project group needs to scale up to cover the whole company and this means that S-Pankki needs to plant a seed of entrepreneurialism into the brand's culture to help leverage the values that are incorporated into startup entrepreneurs. When a startup-like attitude for developing business is grounded deep in the culture of S-Pankki, the brand becomes bolder in looking for new blue oceans, developing new business models and figuring out new innovative combinations that create synergies inside S-ryhmä's business concepts.

The final step of the four step action plan is killing the legacy business and building a new one which is digital first and the idea behind this closing phase of the plan is to ensure long-term growth and profitability of the brand as all products and services have a particular limited life-cycle and it's better for the company to finish off the legacy business part itself. This renewal process is mandatory for any company that plans to survive the effects of the current digital disruption that causes the overall shortening of company life-cycles due to accelerated evolution of business models. The only way for S-Pankki to survive in this new digital competition is to become fully digitalized itself and start developing new digital first business models that drive new business growth and help the brand to be successful in the long-term.

Completing the above described four step action plan is easier said than done and during the analysis of the interview material, a couple of practical ideas sparked into mind that could help facilitate the implementation and execution of this four step action plan. These two epiphanies came in the form of organizational best practices and the first idea was a concept called "Disruption Lab". This lab could be a similar place like Google X Labs where the company focuses on experimental R&D projects and technologies which have an enormous disruption potential in the future. The difference of S-Pankki's disruption lab could be that it is open up to all employees as a shared workspace which is a physical location to share ideas, build business model

concepts and work on disruptive projects that focus on creating unique world-class user experiences for S-Pankki's customers.

Transformational leadership can accelerate the disruption process of a company but transforming the whole culture of a brand needs to be a full-time job and so the leader of the disruption lab has to be the chief innovation officer or the "chief disruption officer" of S-Pankki. This employee is responsible for the functionality of the disruption lab and ensures that all employees that work in the lab have the necessary tools, resources and access to information inside the company. Combining intrapreneurship and startup partnerships to the disruption lab is a way to leverage the innovation power of the concept as the labs residents could include a selected few of top-of-the-line startups that attend S-ryhmä's current startup incubation program. The disruption lab could also serve as place to organize hackathons and hackweekends where attendees would focus on solving a specifically framed problem such as developing the killer wearable banking application for S-Pankki.

The second epiphany was the idea of a concept called "Disruption Monday" that is the kick-off day of a three week internal hackathon process. This idea was also inspired by Google where the founders organize a weekly event in the company's headquarters where they give a keynote speech to the entire staff with the opportunity to ask questions back directly to them in the cafeteria. Disruption Monday would serve as a similar kind of open platform for internal communication but it would also be the starting point of a new three week cycle where everyone has the chance to develop a startup venture for three weeks. The keynote of the Disruption Monday would be held by someone from the top management of S-ryhmä or S-Pankki with a specific theme that frames the problem of that three week period and presents one problem that needs to be solved by the attendees.

The first week of this three week period would be the time when employees gather a team around them and form a temporary startup that attempts to figure out a solution for the given problem. The startup team can use a certain percentage of their worktime to the project during the first week by signing up to the hackathon in the end of the day of Disruption Monday. The goal of the first week is to develop a minimum viable product (Trimi & Berbegal-Mirabent 2012: 460; Blank 2013: 5-6) that is the first prototype of the startup team's solution to the problem and a pitching competition is held on Friday of the first week where these MVPs are presented to the judges that include the top management of the company.

The best startup teams get a mandate for their project to continue after the first week and pursue their venture with a considerable amount of their worktime allocated to complete the project. Startup projects that don't get a validation from the judges are killed after the first week and this helps to keep up the quality of the process high and sustain a balance of organizational resources. The three week hackathon period ends up with a demoday that is held on the last Friday when all startup teams present and pitch their solutions to the entire company and top management. If the demoday has more than one startup team pitching on stage, the event includes a voting system where all attendees can vote on the best solution and the voting score is combined with the review given by the judges. The key idea of the Disruption Monday and the final demoday that sums up the process is to trigger stucked up innovation energy of the company and together with the concept of the disruption lab it could serve as a potential way of taking the first step of the action plan by helping to break all the organizational silos of S-Pankki.

4.2.2 Developing a practical framework for S-Pankki's brand development

In order to facilitate the implementation of the four step action plan of S-Pankki, the practical roadmap needs a solid theoretical framework that has been customized for the use of the banking brand to help the company to refine it's current brand development process. The analysis of the interview material helped to discover seven building blocks of a metaphorical bridge between theory and practise and these seven pillars are key elements in the disruptive brand development process model. However, to make the theoretical framework more customer-oriented and applicable for practical use in the daily work of S-Pankki's brand development, the model needs a second review round by going through a process of elaboration and fine-tuning to better meet the requirements and demands of S-Pankki.

After rigorously going through all the interview material and the results of the empirical research, the core of the framework still holds through as the value innovation of customer value through brand vision and a clear perception of why is the most important part of the brand development process. To put an emphasis on the framework that the customer is the target of this value innovation, the core of the model is elaborated to "customer value innovation" and this process is the key to kickstarting the brand development process of S-Pankki. Customer value innovation is the heart of the strategical planning cycle which represents the inner cycle of the

framework where the top management of the brand plans, tests and constantly improves by iterating the brand strategy.

An outside perspective can often bring valuable extra insights to this strategical planning cycle but this design-driven innovation process needs to be guided by data and thus this part of the framework is updated to data-driven design innovation. The strategic planning cycle constantly develops and adjusts the brand strategy and actively communicates it to the outer cycle of the framework which is the disruptive marketing and market creation cycle that implements and executes the planned brand strategy. A working and interactive communication flow of these two cycles is essential for the functionality of the model and problems in this communication can be tackled with the above discussed four step action plan.

The idea of the disruptive marketing and market creation cycle is to implement the brand strategy, search and create new business models and blue oceans and constantly develop the brand further through close interaction with S-Pankki's customers. This customer interaction part of the outer cycle of the framework should always be the starting point as how else can the brand be truly customer-orientated? When the customer owners give feedback to the company, the brand development of S-Pankki gets valuable customer insights and helps the process in the next phase of the elaborated model which is the product, service & marketing effort improvement through testing and iteration. The terms testing and iteration were added to the elaborated framework to emphasize the importance of constant innovation as this phase of the process is where the product, service or marketing activity is improved through several rounds of testing, learning and iterating.

The iterative improvement phase of the product, service or marketing effort is followed by the creation of a digital banking innovation which is the outcome of constantly improving the product or service with customer feedback. As the elaborated version of the model is customized for the use of S-Pankki, the end-result of the product or service innovation was specified to digital banking innovation to the framework. The creation of digital banking innovations can drive a larger innovation culture inside S-Pankki and also help to leverage the next phase of the outer cycle which is intrapreneurship and startup collaborations. The successful execution of this phase is probably the hardest part of the whole framework as it starts from the organizational DNA and culture and is largely dependent on the mindset of the employees. The implementation of this phase of the outer cycle can be boosted with

the help of the four step action plan and the concepts of the Disruption Lab and Disruption Monday and this final part of the disruptive marketing and market creation cycle closes up the second loop and the outer part of the disruptive brand development process.

The goal and final end-result of the elaborated brand development process framework is to create a brand disruption for S-Pankki which helps the company to renew and redefine it's brand and fight back the force of digital disruption by constantly innovating the customer value. Well-timed brand disruptions are the key for sustaining long-term growth and profitability, staying relevant and for the end-customers and driving the whole industry forward towards a more digital and connected future. This elaborated model of the disruptive brand development process is depicted below in figure 16 and acts as method to help in the creation of a more meaningful banking brand in the connected age of the digital customer and together with the implementation of the four step action plan supports the brand development efforts of S-Pankki in the future.

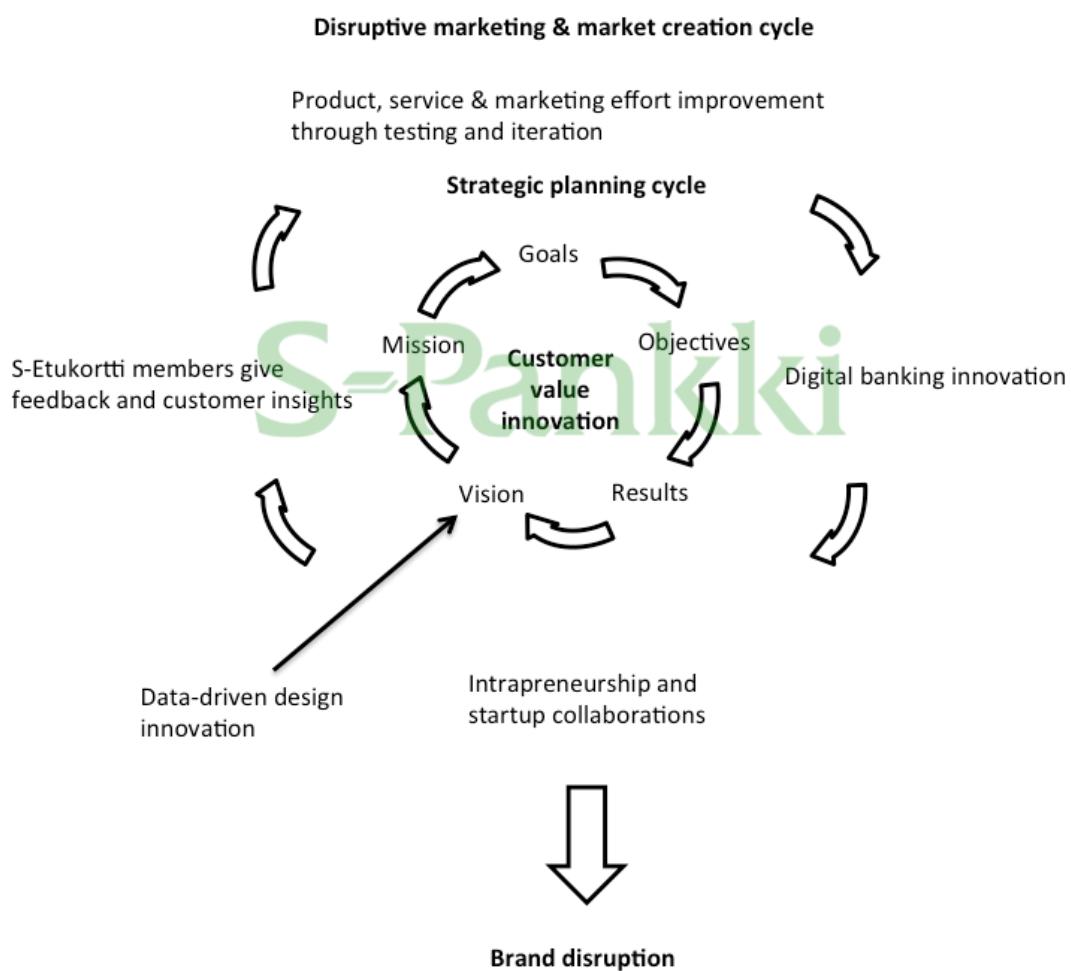


Figure 16. Elaborated model of the disruptive brand development process (Retelling Kirchner et al. 2012: 75; Kim & Mauborgne 2005: 16; Verganti 2008: 444; Ries 2011: 75)

4.3 Reflections, observations and summary

The conduction of the empirical research generated a selection of interesting ideas and different kinds of reflections, observations and interesting thoughts that potentially offer some fascinating additional points to the research and to the formation of the final conclusions of the thesis. One notion that emerged from the reflections was how ubiquitous and omnipresent the phenomenon of digital disruption really is in today's connected consumer society and how it is fundamentally changing every possible traditional industry in the next few decades. This radical shift also has a definitive effect on marketing and the job of marketing managers as they will need to adapt to this fundamental change by adopting digital skill and a digital first mindset. The skills required from the marketing manager 3.0 to adapt to this digital revolution includes such skills as big data analytics, growth hacking, data science, coding, creating websites and active learning of new softwares and these are only a part of the digital skillset that more and more companies in different industries require from their employees. Thus, the job of the chief marketing officer will blend with the jobs of chief digital officer and chief innovation officer as future marketing professionals will apply a multitude of skills in an interdisciplinary way to create unique brand experiences for the end-customer.

Probably the most disruptive technology that will define the whole future of marketing and business in general is artificial intelligence which is an extremely interesting area of research. Many current articles and digital marketing thinkers predict that automation and artificial intelligence will disrupt the whole marketing industry in the next five years as marketing automation is just the beginning of this huge digital transformation process. Automation and artifical intelligence are changing a lot of industries at the moment as they offer the economies of scale and efficiency to a lot of analog and manual tasks which lifts up profitability and enables workers to multitask more flexibly.

In the future S-Pankki, artificial intelligence could offer a variety of different business applications such as a cost-efficient customer chat which is provided by a chatterbot

company like Cleverbot (Cleverbot 2015). Another business application for the digital S-Pankki could be a virtual personal assistant in their mobile banking application S-mobiili provided by a SRI spin off company called Kasisto which is a leading technology provider in virtual mobile banking assistant services. (SRI International 2014.) The next development phase from the virtual personal assistant could be a customer service avatar for the mobile banking application and in the case of S-Pankki, the brand could add a virtual banking assistant to S-mobiili that could be similar to nurse Molly, Sense.ly's virtual nurse avatar that is currently been applied to bring efficiency to hospitals and health clinics in California. (Sense.ly 2015) This "Antti Asiakaspalvelija" in S-mobiili would create a much more interactive mobile user experience and help the customers of S-Pankki to get a more personalized customer service experience when they are using the mobile phone as their banking service channel. These three examples represent only a fraction of the endless possibilities that artificial intelligence, digital automation and all the other disruptive technologies provide and are part of the larger phenomenon of digital disruption.

In conclusion, the empirical research part of this thesis proved to be quite a success as all of the interviews provided their own unique points and insights to the research material and the overall empirical material was well-saturated for the purpose and scope of this study. The conducted interviews of the research were semi-structured theme interviews which meant that all of the interviews had the same questions in the same order but there were no ready-made answers provided. The interview situations were designed before-hand to be as standardized as possible but despite having the same interview room, interview material set-up and starting position for the interview, all interviews were a little bit different as personal chemistry between the interviewer and the interviewee had a surprisingly large effect to the flow of the interview and what kind of results were received.

The interview process was also affected by outside factors that were uncontrollable by the interviewer such as the time of the day and the week when the interview was done, how big of a workload did the interviewees have at the moment of the interview and how well did the interview fit into their day's schedule. The best findings and insights of the interviews were made when the conversation was open and relaxed, interactive and spontaneous and when there was a natural flow with the interviewee as the only thing that was left to manage was that there would be enough time to cover all of the interview questions. The dialogue of the interviews was quite interactive excluding a couple of exceptions and the two themes and the interview questions directed the

conversation enough by sustaining a focus but leaving room for spontaneous ideas and thoughts and a chance to deep dive into a specific question.

The reliability of this research is quite solid as the format of the semi-structured theme interviews provided a consistent manner to conduct the interviews. The interviews were done in two locations with a similar kind of interview setting that included an interview paper, pens, recording device and a private meeting room where the interviews took place. Two interviews were conducted outside a private meeting room due to a lack of availability but turned out to be very successful ones. One third of the interviewees were colleagues of the interviewer which might have had an effect to the level of trust in the interviews and resulted in more in-depth and open answers. The validity of this research is pretty good as the seven distinctive links between the theory and practice of the research confirm. However, the main phenomenon of the thesis, digital disruption, is so vast and complex that it is impossible to describe it entirely in one research. The framing of the thesis limits the research of the phenomenon into the context of the banking industry and improves the validity of the research by enabling a more comprehensive review of brand development in the digital age inside one industry's context. (Eriksson & Kovalainen 2008: 292)

As the research approach of this empirical research is action research, the validity of the research can be improved through triangulation and this research made use of material triangulation by using empirical material from different sources of information as the interviews were conducted for both S-Pankki's employees and outside experts from D11 Helsinki. The research was also influenced by secondary sources of information and material including S-Pankki's brand development material, books, white papers and researches on digital disruption and the transformation of the banking industry as well as industry analyst blogs and videos which were not directly referenced or quoted in the thesis but helped to construct a more comprehensive understanding of the subject and carry out the research with the best possible knowledge of the examined topic. Another form of triangulation was also used in the research which is the triangulation of theories as the interdisciplinary framework of the theory chapter includes a range of theories that were used to explain, understand and interpret the case context of S-Pankki and the two themes of the interviews. (Eriksson & Kovalainen 2008: 292-293; KvaliMOTV 2015.)

The analysis of the empirical material helped to discover seven building blocks of a bridge between theory and practice and these findings served as a basis in developing a four step action plan for S-Pankki for it's digital development efforts. The action plan was accompanied with two organizational best practices that possibly help in the implementation and execution of the action plan. The interview material also helped in the elaboration process of the disruptive brand development process framework resulting in a model that is customized for the needs of S-Pankki. However, with the help of small adjustments and the change of industry, the elaborated model of the disruptive brand development process has a lot of potential to serve as a general guidebook on how business managers should design their marketing to enable brand disruptions.

The method can also be used in a much more wider scale as an organizational best-practise which can accelerate the growth of the entire organization through the creation of new disruptive business models by breaking all the barriers and silos standing before innovation. This means that the application possibilities of the disruptive brand development process method don't limit to the marketing or brand management functions as it is a way of re-designing the whole corporate culture to a much more open direction where great ideas are shared, cultivated and accelerated to drive new business growth. This is achieved through an open-minded company culture which allows employees to challenge the status quo, test their ideas through rapid lean projects, interact cross-organizationally and build interdisciplinary project teams to realize disruptive new ideas and search for the next winning business model innovation in an ecosystem of disruption.

5. CONCLUSIONS

"The scientific man does not aim at an immediate result. He does not expect that his advanced ideas will be readily taken up. His work is like that of the planter – for the future. His duty is to lay the foundation for those who are to come, and point the way."

- Nikola Tesla (1934)

Brand development in the age of digital disruption is truly a grand challenge as the digitalization of traditional industries sets a variety of different challenges from marketing management to new business development through the creation of new business models. The traditional banking industry is in the verge of this digital disruption and that is why it is quintessentially important for S-Pankki to start building a digital future by developing digital banking services. This digital transformation process goes hand in hand with the digitalization and automation of S-Pankki's marketing activities as this brings the economies of scale and more efficiency to the brand development process. The conducted interviews of the empirical research helped to establish a bridge between the theory and practice of the case context and to build a practical four step action plan to start solving the current problems in S-Pankki's brand development. The research results also helped to elaborate the constructed theoretical framework of the theory chapter and customize the model to better suit the needs of S-Pankki. In conclusion, the overall research served as a theoretical and practical synthesis of a lot of seminal thoughts, theories and concepts and formed a unique remix of these ideas.

The purpose of the thesis was to find a solution to the research problem and this objective was pursued through three goals from which the first one was to develop the disruptive brand development process framework. The first goal of the thesis was reached by undergoing an extensive overview of different best practices and building an interdisciplinary synthesis framework of these different theories. Thus, this results in the first finding of the thesis which is that brand development is a comprehensive organizational process which requires the seamless integration of knowledge from different business units and departments that is enabled with an open culture of continuous innovation and learning.

The second goal of the thesis was to define the problem areas in S-Pankki's brand development and this goal was reached with the findings of the empirical research.

These findings were the seven building blocks of the bridge between the theory and practice in the research and they lift up the essential problems that create friction in the current brand development process of S-Pankki. This leads to the second finding of the research which is that S-Pankki's brand development problems can all be summarized into company culture and as culture is made of people, the big cultural change starts by disrupting the mindsets of the employees.

The third goal of the thesis was to develop S-Pankki's own disruptive brand development framework and this goal was reached through the elaboration process of the theoretical framework by adjusting the model with the research results of the interviews. This elaborated version of the model was customized for the needs of S-Pankki and together with the practical four step action plan it supports the digital brand development efforts of the case company. The third finding of the thesis is that brand development in the age of digital disruption is managed through a continuous iterative process of innovating the customer value and this endeavor requires consistent effort, resources and coherent execution from the brands top management to all the way down to the customer touchpoint that realizes the brand experience for the end customer. The third finding of the thesis along with the elaborated model of the disruptive brand development process provide the answer to the research question of the thesis and the final conclusion of the research is that developing a meaningful brand in the age of digital disruption always starts with the customer.

5.1 Implications for future research

My suggestion for the future research of brand development is to focus more on how digital technologies such as automation and artificial intelligence can bring efficiency and economies of scale to the process and develop further the current concept of marketing automation in the research literature. As digital disruption will result in a fundamental change on how marketing is done in the future, marketing research in general should focus more on how this digital transformation process can be harnessed and used to develop the research field further.

In order to generalize the disruptive brand development process framework constructed in this thesis, more case studies need to be done on the subject in different industries. Studying how the model works in case companies that are in different stages of digital disruption could provide a lot of practical insights and help to

elaborate the framework even more. For S-Pankki, it could be valuable to conduct a study with a long time period and measure how the brand development process framework actually yields results. The quantification of this model could improve its functionality by enabling the measurability of the brand development work and this way add value to the end-user of the model. In conclusion, the research of brand development and digital disruption still holds a vast blue ocean of undiscovered knowledge and the intersection of artificial intelligence and brand development is a part of this deep sea that is arguably worth exploring.

"Artificial intelligence will reach human levels by around 2029. Follow that out further to, say, 2045, we will have multiplied the intelligence, the human biological machine intelligence or our civilization a billion-fold."

- Ray Kurzweil (2014)

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APPENDICES

Appendix 1: Preliminary task

Choose the five most important terms for the success of S-Pankki

Omnichannel
 The development of digital marketing systems
 Marketing automation
 Content marketing
 The development of user experience
 Utilising Big Data
 Soscial media
 Customer-centricity
 Agile brand development
 Mobile marketing
 The development of mobile services
 Neuromarketing
 Understanding consumer behaviour

Theme 1: The building of a digital bank

1. In your opinion, what is the future S-Pankki?
2. How is digitalization affecting the banking industry at the moment?
3. How does this disruption show at S-Pankki?
4. In your opinion, what kind of products and services belong to a digital bank? Why?
5. How can digitalization be used to enhance the service experience of S-Pankki's customers?
6. How is S-Pankki planning to reinforce it's customer relationship to the younger digital native banking customers?

Theme 2: Brand development as a continuous innovative process

7. Briefly, what is S-Pankki's brand vision in your opinion?

8. What are the key elements that S-Pankki's brand identity consists of?
Mention three adjectives
9. What kind is S-Pankki's brand development process at the moment?
10. How are brand development decisions made and by whom?
11. How is digitalization taken into consideration when developing the brand?
12. How is omnichannel taken into consideration when developing the brand?
13. What are the essential problems of S-Pankki's brand development?
14. In your opinion, how could these problem areas be developed further?
15. In your opinion, what are S-Pankki's most important marketing activities?
16. How is the integration of FIM's and LähiTapiola's daily banking customers taken into consideration in S-Pankki's marketing?

Appendix 2: Full version of the preliminary task results

Preliminary task: Choose from the following five word the ones that are most important for the success of S-Pankki				
Omnichannel		Expert 2	Expert 3	
The development of digital marketing systems				
Marketing automation				Employee 1
Content marketing			Expert 3	
The enhancement of user experience	Expert 1	Expert 2	Expert 3	Employee 1
Utilising big data	Expert 1		Expert 3	
Social media				
Customer-centricity	Expert 1	Expert 2	Expert 3	Employee 1
Agile brand development	Expert 1			
Mobile marketing				
The development of mobile services		Expert 2		Employee 1
Neuromarketing				
Understanding consumer behaviour	Expert 1	Expert 2		Employee 1

Employee 2			Employee 5	
	Employee 3	Employee 4	Employee 5	
		Employee 4		Expert 4
Employee 2		Employee 4	Employee 5	

	Employee 3			
				Expert 4
Employee 2	Employee 3	Employee 4	Employee 5	Expert 4
				Expert 4
Employee 2	Employee 3		Employee 5	
Employee 2	Employee 3	Employee 4		Expert 4

					Total
		Employee 8		Expert 5	6
					0
Employee 6	Employee 7		Employee 9		7
			Employee 9		4
Employee 6	Employee 7			Expert 5	10
Employee 6	Employee 7	Employee 8		Expert 5	7
					1
Employee 6	Employee 7	Employee 8	Employee 9	Expert 5	14
					2
					0
Employee 6		Employee 8	Employee 9		8
					0
	Employee 7	Employee 8	Employee 9	Expert 5	11