How do not-for-profit SMEs attempt to develop a strong brand in an increasingly saturated market?

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Abstract

Purpose – The motivation behind this research is to remedy a gap in the literature on the role of branding within small to medium-sized not-for-profit organisations that are not part of the charity or voluntary sector.

Design/methodology/approach – To understand the role precisely, a qualitative study based on in-depth interviews with not-for-profit small to medium-sized enterprises (SMEs) was undertaken. The study identifies how these organisations develop their brands and the role that branding plays within such organisations. Two new models are presented to visually demonstrate the processes – a brand development matrix as a guide to the brand development decision process, and a focal model for the role of branding within not-for-profit SMEs.

Findings – Significantly, the study finds that employees play an important role as "ambassadors" of the brand. Forging links and working in partnerships were found to be exceptionally valuable in helping the organisations establish "a name" as well as raising awareness. Consequently, associations linked to the brand come from interactions that customers and other stakeholders have had with employees.

Research limitations/implications – The study was qualitative and, therefore, more subjective in nature.

Practical implications – This study sought to explore how not-for-profit SMEs develop their brands to begin to remedy a gap in the current literature. The objectives of the study that the researchers set out to achieve have been aided by the development of two new models. The findings show evidence of similarities between the more conventional models of branding, whilst also revealing new findings not currently in the literature.

Originality/value – The horizon for not-for-profit organisations is changing. This has put increasing pressure on such organisations to establish "a name" for themselves. Although a considerable amount has been published on the role of branding in large commercial organisations, the researchers believe this is the first study to explicitly explore the role of branding to not-for-profit SMEs (not part of the charity/voluntary sector).

Keywords Brand management, Non-profit organizations, Small to medium-sized enterprises

Paper type Research paper

Introduction

Much has been written regarding the branding of large commercial organisations. In fact, it is fair to say that the majority of published brand literature focuses on product branding and large multi-national corporations; Nike and McDonalds are frequently quoted examples (Kochan, 1996; Nilson, 1998; Ries and Ries, 1999; Schroeder and Salzer-Morlin, 2006). The role of brands in small to medium-sized enterprises (SMEs) in the not-for-profit sector, on the other hand, has received limited, if any, attention.

Branding is a concept that is only just emerging in the not-for-profit sector (Brand Channel, 2007) and published material investigating the existence of branding and its implications to not-for-profit organisations is scarce.

The motivation behind this research is therefore to remedy an apparent gap in the literature on the role of branding within small to medium-sized not-for-profit organisations, which are not part of the charity/voluntary sector. They could be, for example, a small publicly-funded not-for-profit organisation operating in the private sector, whose primary activity is the provision of services of a personal nature rather than the manufacture and distribution of goods (Baldry, 2006).

With increasing numbers of not-for-profit organisations – 73,500 in the UK at the start of 2004 (National Statistics, 2006) – branding may well be a key differentiating factor to help not-for-profit SMEs survive in an increasingly saturated and demanding environment. A comprehensive review of the literature in the areas related to the study was carried out before the primary research took place, which gave a "good basic framework to proceed further with the investigation" (Sekaran, 2003, p. 64).

Literature review

Branding has existed for hundreds of years and in this time has developed into a modern concept that may be applied to products, services, companies, not-for-profit concerns and even countries (Clifton *et al.*, 2003).

While the practice of branding is over 2,000 years old (Lury, 1998) many regard it as being a predominantly twentieth century phenomenon (Lury, 1998; Schultz *et al.*, 2002; Tokarczyk and Hansen, 2006). For example, Schultz *et al.* (2002, p. 4) describe the connection that the individual makes with the brand as "a unique and amazing characteristic of recent time – a cultural and sociological phenomenon."

Re-branding

Muzellec and Lambkin (2006, p. 805) characterise re-branding in line with the American Marketing Association's (2006) definition of a brand and, therefore, refer to it as "the creation of a new name, term, symbol, design or a combination of them for an established brand with the intention of developing a differentiated (new) position in the mind of stakeholders and competitors". Many companies must "adapt their products and/or services to keep competitive in the marketplace" (Krell, 2006, p. 50). If the changes are vast "a company's brand may no longer accurately reflect what it offers – requiring a brand overhaul" (Krell, 2006, p. 50).

For re-branding to occur changes need not be huge, for example, a motivation for re-branding may be because the company feels the logo is outdated (Stuart and Muzellec, 2004) and "just because you need to be consistent with a brand doesn't mean there isn't room for improvements or updates" (LePla and Parker, 2002, p. 208). Kapferer (1998, p. 172) concurs in saying that "it is essential that the brand is perceived as up-to-date".

Stuart and Muzellec (2004) and Muzellec and Lambkin (2006) refer to a re-branding continuum, from the "evolutionary modification of the logos and slogan" to the "revolutionary creation of a new name." Stuart and Muzellec (2004, p. 53) believe the overall stimulus for re-branding is to "send a signal to the marketplace, communicating to stakeholders that something about the organisation has changed".

Many companies undergo re-branding exercises believing that the company is "misunderstood" in its "current guise in the marketplace" and, therefore, a change of name and/or logo and slogan is "perceived as a strategy that will provide a chance to create a positive new image" (Stuart and Muzellec, 2004, p. 52). Re-branding may, therefore, also be useful if the current brand has low awareness or perception levels in the minds of its target market(s) or suffers from negative equity. Re-branding can present a risk to the company, which increases if the company wrongly begins the re-branding campaign with its customers before getting buy-in from employees on the new brand (Krell, 2006).

In order to gain this buy-in from employees it is important that they feel "their contribution is valued, their needs and personal priorities are recognised and that their participation makes a difference to them personally" as well as to the "organisation as a whole" (Tan, 2003, p. 2) Effective communication can "strengthen both intellectual and emotional buy-in" (Tan, 2003, p. 2).

The role of branding within SMEs in the not-for-profit sector

Not-for-profit organisations possess certain characteristics, which makes them different to commercial organisations. Examples in the public sector proposed by Octon (1983, p. 34) may be the "problematic formation and evaluation of strategies concerning social objectives; they need to serve many publics, often on a non-discriminatory basis, and a lack of continuity of policies due to changing political environment." With this in mind, "it may not be possible to transfer conventional marketing theory and practices between the two sectors" (Octon, 1983, p. 34). This research will examine, in the light of this, the role of branding (or its potential role) for not-for-profits, focusing on SMEs, since SMEs constitute the majority of this sector (Tan, 2003).

The "product" offering

Since the focus of this research is on SMEs in the not-for-profit sector delivering a service, it is important before any discussion of branding takes place to understand the categories that can make up the "product" element of the marketing mix. Denney (1998) broadened the meaning of the term "product" stating that a "product" should coincide with at least one of the following:

- Physical products or tangible items, services or intangible goods that are subject to market transaction.
- Persons, e.g. a politician trying to win public support.
- Organisations, e.g. charities and universities trying to sell themselves as a whole.
- Ideas, e.g. public education on matters such as birth control, smoking and drink driving.

As illustrated, it is not only a tangible item that is classed as a product. In fact, anything from a physical product to an idea can be thought of as the "product" offering in the marketing mix and it is this "product" that needs to be promoted. Therefore, it is this offering that the brand should represent.

Not-for-profit branding

Although widely practised in commercial business, not-for-profit organisations "have been slow to pick up the concept of branding" (Brand Channel, 2007). A UK study by Bennett and Gabriel (2000) on the use of branding in the not-for-profit sector found many organisations not to be making efficient use of branding techniques.

The research in the academic literature on the branding of public/private sector organisations in the not-for-profit sector, other than those constituting part of the charity sector, was found to be limited. As already mentioned several researchers have written about the practice of branding and its implications to the charity sector. Many marketers in the charity sector have begun to embrace the brand as a key asset for obtaining donations, sponsorships and volunteers (Clifton *et al.*, 2003; Bennett and Gabriel, 2000).

The lack of any significant research in this area is surprising since with "no product to sell, not-for-profits should be more reliant on their brand than companies in the for-profit sector" (*Brand Strategy*, 2006). The small amount of research found suggests agreement on the importance of branding in this sector, however, there has been little investigation into how it is or should be practised.

Sargeant (1999, p. 98) states that "Understanding the need for branding now permeates the non-profit sector". According to Sargeant (1999, p. 97) "the creation and/or management of a non-profit's brand image can be a critical issue for marketers to address" Hence, "image matters more when you are selling nothing rather than something" (*Brand Strategy*, 2006).

Beardi (1999, p. 120) reinforces this point and argues that branding is essential for non-profits than for corporate clients, because they are competing for the interest and affection of the public; they need to have their missions understood. Sometimes it is hard to focus and remember who they are. Branding will portray their message in a striking manner.

Tan (2003, p. 2) believes not-for-profit organisations are well placed to become powerful brands as people working in these organisations are driven by the seriousness of their work. She states:

> [Their] passion is a fine basis on which to build a brand and more than a single message, logo or catchphrase, the brand is the platform on which the motivation behind the organisations work may be articulated, and the significance of its work appreciated.

Tan (2003, pp. 1-2) also stresses the importance of the mission statement as a "crucial building block" for not-for-profit organisations brands and believes it is key in setting "brand direction" as it "defines the goals of the organisation and sets the parameters within which it will operate."

SME branding

Within the vast amount of research available on branding, only two studies were found dedicated to SME branding. The first was a research paper by Krake (2005), which constructed a new theory with the objective of providing SMEs with practical tips as to what they need to do to build a strong brand. Krake recognises a gap in the field by stating that brand management for SMEs is "something scarcely mentioned in business literature" and that there has been "practically nothing published" (Krake,

2005, pp. 228-9). As a result he developed a "funnel model" for the role of brand management in SMEs.

The second study found was by Wong and Merrilees (2005), who also recognised that there was a lack of literature on the subject area and in fact quoted that they were surprised to not have been able to "discern one research study dedicated to SME branding" (Wong and Merrilees, 2005, p. 156). Their belief is that this is due to the "potential common perception of the large amount of resources required" and their discussion of the "brand barrier" construct reflects their view that many SMEs would perceive that they "have not enough time or resources to conduct branding activities". They believe their study seems to be "among the first to explicitly investigate SME branding" (Wong and Merrilees, 2005, p. 156). Consequently, they undertook an exploratory investigation into brand management in SMEs and came up with a model, which allocated firms into "particular clusters or branding archetypes" (Wong and Merrilees, 2005, p. 158).

As illustrated, very little has been published about branding in SMEs, let alone SMEs in the not-for-profit sector. Wong and Merillees believe this dearth of material on SME branding is due to the barriers they face, therefore, it would be wise to look into the limitations facing SMEs as they may also be apparent in not-for-profit SMEs, which can be confirmed on analysis of the primary data.

Limitations of SMEs

Considerable doubts about the quality of management in SMEs have been expressed with research suggesting that they have weaknesses in innovation, a lack of financial insight, marketing, entrepreneurial ability and realistic knowledge and as a result many firms do not reach their full potential (Sha, 2006; Kuratko and Hodgetts, 1995).

Traditional problems facing SMEs include: a lack of finance and other limited resources, difficulties in exploiting technologies, constrained managerial capabilities, low productivity and regulatory burdens (Nolan, 2005; OECD, 2006). Other limitations that have been identified are a concentration of functions in one or two persons and a lack of professionalism (Department of Scientific and Industrial Research, 2007).

Branding models

When reviewing the branding literature it was felt necessary to examine existing branding models to help determine, on completion of the primary research whether the practices of these more conventional models can be transferred to not-for-profit SMEs. Service branding may be particularly relevant since the focus of this study is on not-for-profit SMEs who deliver a service as opposed to those who sell tangible products.

Similarities may be presented in this literature since, according to De Chernatony *et al.* (2006, p. 819), in many cases the terms "services branding" and "corporate branding" are "interchangeable" given that "corporate brand strategies are frequently adopted in service industries."

Corporate branding

Corporate branding is not just "an attractive logo or a powerful advertising campaign" it is, most of all, concerned with giving an organisation a "clear and publicly stated sense of what it stands for" (Inskip, 2004, p. 358). Managing corporate brands differs

from the more usual process of managing product brands, requiring a greater focus on factors internal to the organisation (Harris and De Chernatony, 2001). In this view, employees are therefore recognised as significant, particularly in service industries, in their role in the brand building process and of communicating the brand (Gylling and Lindberg-Repo, 2005).

Harris and De Chernatony (2001, p. 441) believe employees need to be recognised as the brands "ambassadors" since they "constitute the interface between a brand's internal and external environments and can have a powerful impact on consumers' perceptions of both the brand and the organisation". Corporate branding therefore calls for firms to integrate their strategic vision with their brand building (De Chernatony, 2001) and enables the vision and culture of the whole organisation to be used explicitly as part of its uniqueness (Balmer, 2001).

Services branding

De Chernatony *et al.* (2006) suggest the classical FMCG brand-building model needs revising for services brands. This is, according to Berry (2000) due to their greater importance of employees as providers of the services brands' benefits. In packaged goods, the product(s) is the primary brand. However, with services, it is the company that serves as the primary brand. Branding is not just for tangible goods; it is also a "principle success driver for service organisations" (De Chernatony *et al.*, 2006, p. 132).

Ind (2001) and Nguyen and Leblanc (2002) believe that both the functional and emotional values of service brands are largely dependent on the employees who deliver the brand promise. Riley and De Chernatony (2000, p. 137) propose that the service brand should be seen as a "holistic process" providing the link between internal factors, such as those concerned with employees and external encounters with customers.

Integrated branding

To have an integrated brand "managers need to consider how their brand's component values are synergistically integrated to form a more powerful whole" (De Chernatony and McDonald, 1998, p. 369). The integrated brand model proposed by LePla and Parker (2002) provides an overview of how to become a brand driven organisation in an increasingly competitive environment.

LePla and Parker (2002, p. 6) believe the goal of integrated branding is to create a real experience that "allows customers to identify with the brand completely on a rational and emotional level". They refer to this as "customer affinity" (LePla and Parker, 2002, p. 6) and it can be achieved only by the desire of the company to create a genuine relationship built on actual company beliefs backed up by consistent actions. Having an integrated brand relies heavily on the people who live it; therefore a strong corporate culture can strengthen a brand.

Research methodology

Aim

This study aims to explore how not-for-profit SMEs develop their brands and to develop an appropriate branding model for such organisations indicating key drivers of the branding process and identifying typical barriers.

Objectives

The objectives of the study are:

- To find out how not-for-profit SMEs attempt to develop their brand.
- To find out what role branding plays within not-for-profit SMEs.
- To explore limitations facing SMEs and draw comparisons between commercial sector and not-for-profit sector SMEs to identify if any of these limitations affect brand development.
- To investigate existing branding models to identify which one best fits within not-for-profit SMEs and to assist in the development of the model for this study.

Data collection method

As a result of the limited information available on branding in not-for-profit SMEs and the exploratory nature of this research, the in-depth personal interview approach was chosen as the method of primary data collection. The in-depth personal interviews were semi-structured with closed and open-ended questions, conducted with people who work within or are responsible for the marketing operations in a not-for-profit SME, typically at senior management level. An interview was also conducted with the managing director of a marketing and design agency as the agency has developed new brands for two of the not-for-profit organisations that were interviewed and has had plentiful experience of working with other not-for profit SMEs.

This methodology was in line with other SME studies (e.g. Krake, 2005; Wong and Merrilees, 2005) and branding studies (e.g. De Chernatony and Dall'Olmo, 1999; De Chernatony *et al.*, 2006).

The interviews conducted were face-to-face so that questions could be clarified, non-verbal cues could be read, rich data could be obtained and new questions could be added where necessary (Sekaran, 2003). A list of questions and themes were used as a guide to steer the interviewing process. The respondents received this guide prior to the interviews taking place. According to Saunders *et al.* (2007, p. 320) "credibility may be prompted through the supply of relevant information to participants before the interview". They also advocate that "providing the participants with a list of themes before the event can promote validity and reliability by enabling the interviewee to consider the information being requested and allowing them the opportunity to assemble supporting organisational documentation from their files" (Saunders *et al.*, 2007, p. 320).

At the beginning of the interviews all respondents were asked the same question then the order of subsequent questions were re-arranged and some omitted varying from interview to interview given the "specific organisational context ... encountered in relation to the research topic" (Saunders *et al.*, 2007, p. 312). Respondents were encouraged to talk as little or as much as they liked with no interruptions from the interviewer except where clarification was needed.

It is unlikely, had quantitative research methods been used, that the investigation would have attained the desired level of insight into the practice of branding in not-for-profit SMEs.

Sampling

As noted by Locke (2001), all sampling in qualitative research is deliberate or purposeful, as researchers select respondents to access the best quality data about a

existing identity and the adoption of a new brand name. An example of one of the more minor changes was implemented by Company A; the respondent stated:

> The brand development and look of the company has changed slightly. It's a very different organisation than it was two years ago and that's a very standard procedure in companies that are growing and developing. We changed the logo but the name hasn't changed. The original logo was like a graphic design ... quite dramatic ... quite static ... still basically the star remains, but it's much looser and smaller ... it has evolved and is still evolving.

Company A did not want to move too far away from their existing brand identity but were aware that it needed to evolve, in line with the growth and development of the organisation. Company D's approach was very similar. This shows that although they may have had high existing awareness, the respondent felt their old brand was "holding them back" and possibly "excluding some of the audiences" they wanted to talk to. This re-brand is in line with what Stuart and Muzellec (2004) recognise as one motivation, which is to re-brand if the current logo seems outdated.

At the other end of the scale was Company E. The respondent thought their brand no longer reflected what the company did and that consistency was problematic since mispronunciations with the name were common. This led to there being a lack of understanding about what they did. Referring back to Krell (2006, p. 50) within the literature review, he observed that if a company's brand no longer "accurately reflects what it offers" then it requires a "brand overhaul." Company E followed this approach and implemented a complete change of name and identity, which the respondent believed would give them "a better long-term understanding and support strategy ... greater longer term benefits, and the potential to add more value to the company".

As briefly illustrated above, brand development within the interviewed companies ranged from minor changes to the brand design to more major changes to the whole brand. This compares with Stuart and Muzellec's (2004) re-branding continuum, which extends from the "evolutionary modification of logos and slogans" to the "revolutionary creation of a new name." A number of parallels have been revealed between the findings of this study and the re-branding continuum referred to above in the way in which the companies approached re-branding exercises. As a result the research had developed a matrix model as an intended guide to the brand development decision process. This model is shown in Figure 1. A detailed discussion of the model and an illustration of where all the companies interviewed fit within is shown below.

Brand evolve

In a situation where the company has low existing equity but high awareness/perceptions the existing brand should evolve. Company C modified their existing name and developed a fresher identity that went hand in hand. The respondent stated:

> Within the business community; the RDA, the councils and the other development organisations, and business links, I think we have a strong awareness.

In developing their brand she said:

> We decided to drop the economic part and then the butterfly was developed as an idea of growth and development.

Company	Documentation used/viewed	Description[a]/why used
A	Company web site	Branded company web site used to view the brand's identity and provide the researcher with a background of the company
B[b]	In-house desk research document	This document was undertaken internally to feed to the market research agency, which was sourced by the Company in order to explore how the organisation was perceived by stakeholders, what the future target markets were for the organisation and to provide a basis for the re-branding strategy. The document answers the following questions: What is Company B?, What does Company B offer, to whom and how does it communicate these services?, How successful is Company B?, What is Company B's unique place within the governance of County Durham, What are the key features of County Durham, What does the future hold for Company B?
	Executive summary of market research	The external market research agency chosen to help create a brand strategy for Company B produced this document. It summarises the main findings and concludes that the company was perceived as too close to the County Council, bureaucratic and "like a hippopotamus". The research also found that within the groups who had awareness of the company, some were very positive and associated with individual employees but many had negative values and associations attached to the brand. It recommends how the company should move forward with the creation of a new brand
	Creative brief	This was the brief produced for the new brand's identity. It was informed by both the in-house desk research and the market research undertaken by the external market research agency. It asked for tenders for an awareness raising impact campaign and the creation of a new creative treatment to Company B's current brand
C	Company web site	Branded company web site used to view the brand's identity and provide the researcher with the background of the company
D	Company web site	Branded company web site used to view the brand's identity and provide the researcher with the background of the company.
E	Company web site	Branded company web site used to view the brand's identity and provide the researcher with a background of the company
	Re-branding information and recommendations document	This document was produced in house by the business development manager to identify the process Company E would have to go through during a re-branding process. It also highlights options that are available for a re-brand and provides recommendations
	Brief for branding and image design for company E	This document is a brief asking for tenders for the creation of a new brand image and design theme for Company E. It includes current brand perceptions and desired additional attributes that the company wishes the new brand to represent, which were informed by group exercises amongst employees and external stakeholders
F	Company web site	Branded company web site used to view work that the agency had been involved in and the brands they had produced from Companies B and D

Notes: [a] Company documentation cannot be provided in this table due to its sensitive nature and in order to adhere to the confidentiality pledged to respondents. Therefore a summary of the documentation viewed is given. [b] The researcher had access to a range of documents in this organisation, as this organisation was her industrial placement employer

Table I.
Summary of company documentation

given subject. In line with this, respondents were chosen who were working in marketing roles or in charge of marketing operations within not-for-profit SMEs in order to obtain data about the role of branding in the organisations they worked for.

The sample chosen was an indicative "subset of a population" that represents "the main interests of the study" (Hussey and Hussey, 1997, p. 55). A sample size of eight was chosen, as the aim of the phenomenological paradigm is to get depth. Hussey and Hussey (1997, p, 55) and Cassell and Symon (2004) even suggest it is possible to conduct such research with a sample of one.

Data analysis

The interviews were recorded and transcribed. This offered substantial benefits over note-taking during the interviews; Arksey and Knight (1999, p. 70) state that recording allows the researcher to capture "the whole of the conversation verbatim, as well as tone of voice, emphases, pauses and the like". Also Legard *et al.* (2003) note that audio recording is a less intrusive tactic than note taking.

Content analysis was conducted, which is "the process of identifying, coding and categorising primary patterns in the data" (Cavana *et al.* 2001, p. 171). This type of analysis allows "themes to emerge from the raw data". The qualitative data collected was analysed by first organising the mass of data into "meaningful and related parts" with the aim of building up a theory that was "adequately grounded in the data" (Saunders *et al.*, 2007, p. 479).

Company documents

Reviewing the underpinning academic literature and any supporting company documentation enhanced the data analysis. Where possible, this was gathered from the organisations as it was felt it would provide more depth to the study. Of particular importance were a branding strategy research document from Company E and two creative briefs for the development of new brands for Companies B and E. The documents that the author had access to are summarised in Table I.

Ethical issues

Since this study takes the phenomenological research approach it deals with information that can be "value-laden, personal, judgemental, and frequently, politically sensitive" (Jankowicz, 2005). Hence, ethical issues are a very important aspect. Permission was obtained from respondents prior to the interviews taking place and they were reminded before, during and after the interview that company and individuals names would remain confidential and that the information provided would be used for the purpose of the academic research only. In order to adhere to this confidentiality, where respondents made direct reference to their organisation's identity, names were blocked out.

Data analysis and findings

Brand development

It was clear from the interviews that all of the companies have developed their brand at some stage during their lifetime. Several have recently undergone re-branding exercises from something as minor as a logo update to a complete change of the

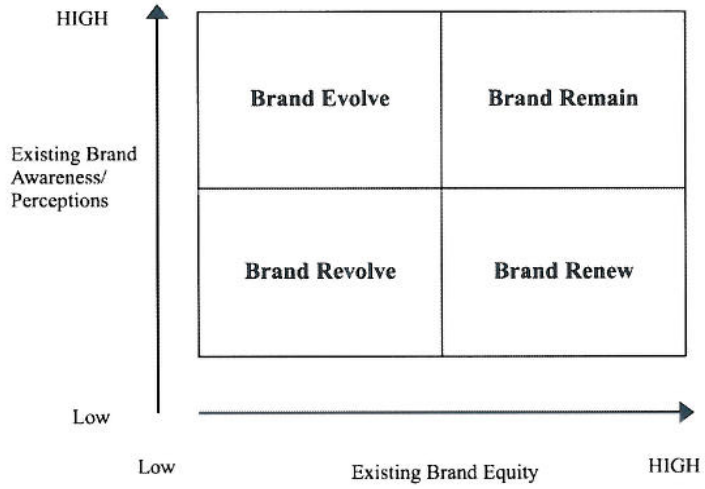

Figure 1.
Brand development matrix

Similarly Company D kept their existing name and whilst keeping the same design of their existing logo they changed the colours and rounded the edges to give a more modern, up-to-date look and feel. Company A also fell into this category as they felt their old brand was too "static". While their logo device was kept very similar, they decided it needed to evolve slightly in line with the growth and development of their organisation.

Brand remain
This would reflect a situation where the current brand has high existing positive brand equity and high awareness and perceptions. Therefore the brand is safe to remain as it is, with the same positioning and proposition. Companies should aim to get to this point.

Brand revolve
If, like Company E, the existing brand has low brand equity and low perceptions then there is little risk in revolutionising the existing brand with a change of name and identity to create a new proposition. Company E changed their name, as they were aware that mispronunciation with their current name was common and it no longer reflected who they were and what they did as a company. They also changed their logo in line with this name change to incorporate new attributes, which they wanted to have attached to their new brand.

Brand renew
At this point on the matrix the organisation would have high existing brand equity but low existing awareness/perceptions. The brand equity could be positive or negative. Some companies may find themselves in a situation where their brand equity is high but has negative associations and values attached to it. Company B were in such a situation where the majority of consumers who were familiar with the brand, attached negative values and associations to it, meaning they were unlikely to return for future

services. Company B took the decision to give their brand a completely new style. One respondent said:

> [. . .] the actual perception level was very very low . . . so one way around this is to completely re-work the brand's identity as we have done.

However, they did not want to change the existing name since it appeared to have high brand equity, which was reflected in the comment:

> People can still trust the name as they have been trusting the name for over 20 years as a place to come for business support and help.

The perception research undertaken by the selected market research agency discovered that very few people knew of the organisation. This company decided to approach the re-branding from the angle of completely changing the existing identity in an attempt to address the low awareness/perception issue but kept the existing brand name since it had high equity with those who knew of the organisation. In other words they renewed their brand.

Brand personality and values

There are similarities between the adjectives that were used by respondents to describe each of the organisations' brands personalities and how they would like to be perceived as an organisation. There was a consistency in the words used such as, "professional," "innovative," "friendly," "knowledgeable," "credible" and "well-networked." There was also a desire that came from the interviews to have an up-to-date brand.

Discussion

Brand development within not-for-profit SMEs

Since conception, all of the companies interviewed have made attempts to develop their brand. In many cases the brand has been developed more than once over the course of time, suggesting this sector have not been as slow to pick up the concept of branding as Brand Channel (2007) believe.

In line with re-branding research taken from the literature review, the companies interviewed appeared to recognise re-branding as a strategy to "send a signal to the marketplace, communicating to stakeholders that something about the organisation has changed" (Stuart and Muzellec, 2004, p. 53) or to provide the chance to "create a positive new image" to customers and other stakeholders (Stuart and Muzellec, 2004, p. 52). In direct comparison, some of the companies re-branded to attach positive new attributes and personalities to their existing identities which some felt were outdated or no longer reflected where they wanted to be.

The companies appeared to approach the re-brand in a similar way to that which Stuart and Muzellec (2004) and Muzellec and Lambkin (2006) refer to as a re-branding continuum. The reasons for re-branding and the type of strategy chosen seem dependant upon the level of awareness/perceptions and the level of brand equity that the existing brands have with customers and other stakeholders. This led to develop a brand development model, which plots the ways in which the companies approached re-branding exercises see Figure 2.

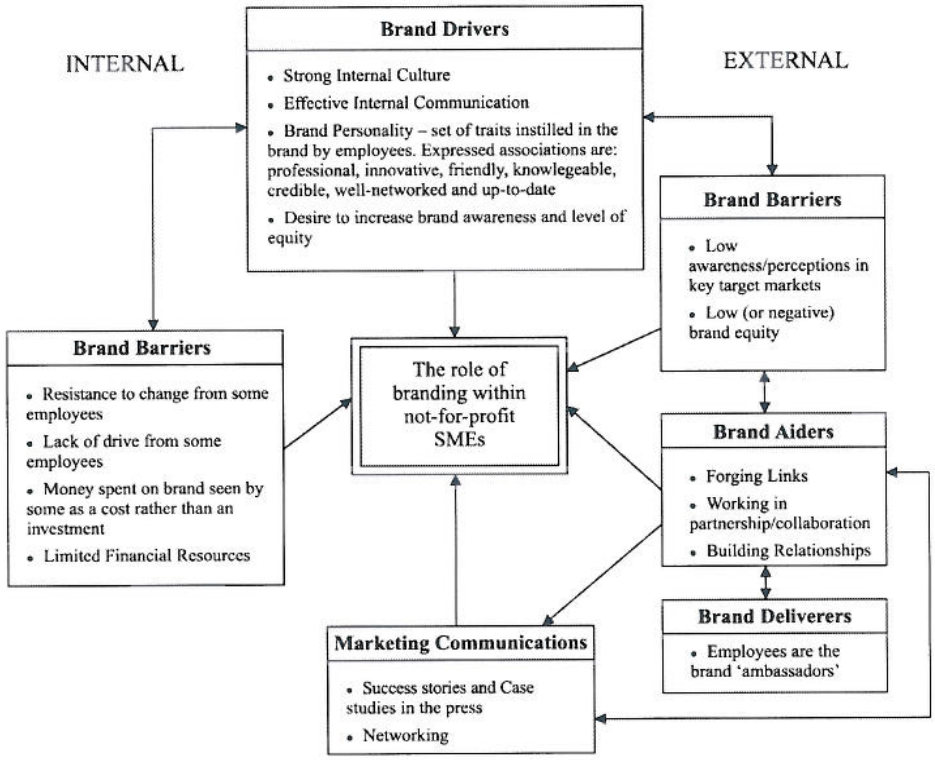

Figure 2.
Model for the role of branding within not-for-profit SMEs

Branding barriers facing not-for-profit SMEs

The majority of the companies interviewed involved employees in the re-branding process and informed them of the new brand before its external launch. This was recognised as an advantage over large commercial organisations where company-wide involvement in the re-brand may not be possible. Risks are also eliminated if the company achieves buy-in from employees before beginning the external re-branding campaign (Krell, 2006). However, getting buy-in is not necessarily easy. Several of the interviewed companies experienced a resistance to change from some employees and emotional attachments to the old brands. Gaining company-wide consensus and a lack of enthusiasm amongst some employees were also regarded as difficulties.

Another barrier to branding was limited financial resource. One of the objectives of this study was to explore limitations facing SMEs and draw comparisons between commercial sector and not-for-profit sector SMEs to identify which limitations transfer between sectors and if any of the limitations affect brand development. Amongst the limitations facing SMEs in the literature review, a lack of finance, a limitation cited by Nolan (2005) and OECD (2006), was the only one that appeared to limit brand development for the companies interviewed.

A barrier to successful brand development for the interviewed companies was that some people regarded the money spent on the brand as a cost as opposed to a long-term investment. Some felt this was down to being a not-for-profit organisation i.e. an organisation serving a public purpose (O'Neill, 1989, p. 2), which made the notion of spending large amounts of money on activities such as a re-brand seem inappropriate.

Since any customer interaction has the potential to destroy brand equity or enhance loyalty (LePla and Parker, 2002, p. 180), the role that employees play in the customer experience is of great importance. In most cases this was recognised as an advantage of the interviewed companies, where positive associations with the brand were built within the employees. However, some respondents made remarks regarding a lack of passion and drive from some employees, which could negatively affect the brand.

Key aids to branding within a not-for-profit SME

The respondents appeared to concur with the literature in that loyalty stems from building relationships with customers (Wise Research Ltd, 2007) and that if they can gain a customer's satisfaction, it will encourage them to use the brand again (Schultz, 2005). All companies saw the importance of building relationships with customers and other stakeholders and their marketing strategies demonstrated this by including activities such as networking and events.

Findings of this research show that forging mutually beneficial links and working in partnership were seen as two important aids for raising awareness of the brands. It helped the companies achieve objectives and undertake marketing activities that may not have been possible had they worked alone.

Key drivers behind a not-for-profit SME's brand

According to LePla and Parker (2002) a strong internal culture can strengthen a brand. This seemed to be a key driver behind the brand in these not-for-profit SMEs. Examples of this were company-wide involvement in the re-branding exercises, strong internal communication and working together towards a common goal.

Personality appeared to be another key driver of the brand since brand audits had been undertaken by some of the companies to gain an understanding of the perceptions their current brands had and to establish a vision for the new brand (e.g. this is how we are thought of now, but this is how we would like to be seen). In most cases this meant adding additional attributes to the old brand and creating a more modern, up-to-date look and feel. Many of the brand associations were linked to the employees within the organisations implying that the personalities of the employees created the personality of the brands. In the literature, LePla and Parker (2002) believe that employees should implement the set of traits that make up a brand's personality, as they will help shape what customers take away from the brand.

It appears that within the companies interviewed this was turned around so that the brand's personality took on the set of traits that came from the individuals making up the organisation and this was what was took away from the brand. Employees therefore, made up the majority of assets (or liabilities) linked to the brand name in line with Aaker's (1991) definition of brand equity. A lack of professionalism was another limitation found to be facing SMEs within the literature review (Department of Scientific and Industrial Research, 2007). It appears to be contrary in the case of the not-for-profit SMEs involved in this study as "professional" was one of the recurring adjectives attached to the brands' personalities.

How the brand is delivered in a not-for-profit SME

The outcome of this research suggests employees to be the deliverers and communicators of a not-for-profit SMEs brand. The importance of employees in this

role concurs with their role in service and corporate brands found within the literature review. Employees act as "ambassadors" for the brand communicating its personality and values to customers and other stakeholders, which is similar to their role in corporate branding (Harris and De Chernatony, 2001, p. 441). They were also found to deliver the brand externally, which is similar to their role in services branding (Ind, 2001; Nguyen and Leblanc, 2002). The way they do this is important since this study found that associations linked to the organisation's brands were built up from the interaction that customers (and other stakeholders) had had with employees within the organisations. Therefore, care needs to be taken to ensure that employees are portraying positive images of the organisation.

The role that employees play in the companies interviewed also compares to the role of the entrepreneur in Krake's (2005) "funnel" model for the role of brand management within SMEs. He states that the entrepreneur is often the "personification of the brand" and he/she "plays a direct role in communicating the brand to the outside world" (Krake, 2005, p. 233).

How the brand is communicated by a not-for-profit SME. The companies quoted a variety of different ways of communicating the brand both internally and externally. The majority of respondents found that placing stories and case studies in the press expressing their organisation's values were particularly effective ways of communicating the brand externally.

Comparisons with other models

One of the objectives of the study was to investigate existing branding models in order to see which of these best fits with SMEs and to assist with the development of the model for this study. This has been demonstrated in part in the preceding findings and conclusions where the role of employees in the branding processes of the companies interviewed showed prominent similarities to the role of employees in services and corporate branding and the role of the entrepreneur in Krake's "funnel" model.

Another striking similarity that has came to light between the role of branding in the companies interviewed and service branding literature is that of the brand being a "holistic process" providing the link between internal factors, such as those concerned with employees and external encounters with customers (Riley and De Chernatony, 2000, p. 137). The brand within the interviewed companies seemed very much an interlinking internal and external process. Internally, a strong corporate culture and strong internal communications were found to help drive the brand. The employees played the important role of communicating and delivering the brand externally and found that building relationships and working in partnership and forging links with other organisations helped the brand.

Development of the model

As illustrated, branding is not an unknown concept to not-for-profit SMEs in the public and private sectors. They attempt to develop and use the brand in a similar way to large commercial organisations, but try to find ways to overcome the barriers that having limited resources and working within certain political confinements can bring. When all the results as well as the preceding conclusions of the study are brought together, a combination of factors becomes apparent in the role of branding within

not-for-profit SMEs. The model shown in Figure 2 represents these factors diagrammatically.

Implications of the model

Brand drivers

A strong internal culture and effective internal communication can help drive the brand as employees feel empowered and therefore will communicate consistent positive messages and work together towards common goals. From the primary research, it emerged that the brand personality is derived from traits inherent within employees. Since associations linked to the brand were found to be based on consumers' interactions with employees, the brand's personality is also a key driver. When developing the brand, not-for-profit SMEs strive for greater awareness and perceptions in the minds of their customers and other stakeholders and higher levels of brand equity.

Brand barriers

Brand barriers are the elements, which have a negative impact upon brand development and are both internal and external to the organisation. Internal barriers include a resistance to change and lack of drive from some employees, as well as the perception that money spent on developing the brand is a cost rather than an investment. This perception correlates with the reality of limited finance being available, within not-for-profit SMEs, to spend on developing the brand. Barriers external to the organisation are low awareness and perception within target markets and low levels of brand equity, which need to be overcome in order that the organisations attract more of the right customers. This is why the role of brand aiders is vital, in helping to overcome the external barriers.

Brand aiders

Forging links and working in partnerships were found to be exceptionally valuable in helping the organisations establish "a name" for themselves and raising awareness of who they are and what they do. Working in partnership was found to be effective as it was mutually beneficial and encourages referral. Coupled with building relationships these can really aid a not-for-profit SMEs brand and help to overcome the external barriers of low awareness and a low level of brand equity.

Brand deliverers

Linked to brand aiders are the brand deliverers who are the employees within the organisation acting as "ambassadors" of the brand. The employees represent the brand and it is their responsibility to build the mutually beneficial links and relationships necessary to aid the brand. Although the employees are internal to the organisation they communicate and deliver the brand externally to stakeholders.

Marketing communications

The most effective ways of communicating externally were found to be placing stories and case studies in the press and networking. These methods of communicating are linked to the brand aiders since they are often done in partnership and collaboration and encourage the building of relationships and the forging of links.

Conclusion

This study has demonstrated that branding is in existence at varying levels in not-for-profit SMEs, although for others it could mean entering into uncharted waters. Bennett and Gabriel (2000) in their UK study of the use of branding in the not-for-profit sector found many organisations not to be making efficient use of branding techniques. The model presented in this study attempts to clarify the apparent elements within the branding process for not-for-profit SMEs and demonstrate how they are all inextricably linked. It seeks to highlight the various steps, influences and barriers that a not-for-profit SME may encounter during the branding process.

The academic literature review found no available research on the role of brands within not-for-profit SMEs not constituting part of the charity/voluntary sector. In fact a number of gaps were revealed concerning the role of branding in commercial sector SMEs and the role of branding in the not-for-profit sector as separate areas.

In essence, this study sought to explore how not-for-profit SMEs develop their brands to begin to remedy a gap in the current literature. The findings have enabled implications to be considered and conclusions drawn, which show evidence of similarities between the more conventional models of branding, whilst also revealing new findings not currently in the literature. The objectives of the study, which the researchers set out to achieve, have been aided by the development of two models. As well as the intended development of the model identifying the role of branding within not-for-profit SMEs this study also encouraged the development of and an unanticipated additional model for brand development. However, since this area of research is very new further investigation is needed as suggested in the recommendations for further study.

Limitations of the study

The study was qualitative and, therefore, more subjective in nature and a small sample size was used. A larger sample size may have made the study more consistent and sound. Another limitation was that the study only covered a small geographic area.

Recommendations for future research

As demonstrated by the apparent gaps in the literature review, this was a very new study, which lays an important foundation for further investigation. Further investigation of the models proposed here is recommended. Another recommendation for future research is to determine an objective way of measuring brand awareness/perceptions and brand equity within not-for-profit SMEs.

Case studies of the success of not-for-profit SMEs in the light of the success of a branding campaign perhaps, may provide insight into the way they achieved this success and the challenges they faced. One final recommendation for further study would be to undertake further investigations, which place not-for-profit SMEs into groupings, for example, by size, small, medium and micro; or by industry, business to business and business to consumer.

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