

Brand modelling and ontology

Research-in-progress

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Abstract: We argue that brands are crucial in value modelling and business ontology, especially for startups. Brands are an asset and a strategic way to differentiate a new venture from its competitors. Also, having a well-defined brand allows the people involved in an ecosystem to communicate consistently to all stakeholders. The literature on corporate branding is dense and contains many different typologies. Nonetheless, there are very few studies on startup branding, and there are only a few models to validate and conceptualise branding in startups. We seek to identify the key concepts and relationships in startup branding in order to propose a structured vision and definition of the concept. We explain why brand modelling is crucial, what a brand is, and how to develop a branding tool. We seek to develop a startup brand ontology and to visually represent it in order to help startups co-design their brands – to help them express and communicate a clear and consistent vision, image and culture to all their stakeholders.

Keywords: start-up, startup, brand, branding, ontology, co-creation

1. Why is brand modelling crucial?

The creation of a well-defined brand during a company's infancy can result in having built-in guidelines for managing the company's strategic direction and value proposition. We argue that this is currently not the case among most startups and companies. Branding can be seen as a company's image, culture and vision [17]. Since brands are intertwined with business models and branding decisions are determined by business models, a company's brand should be co-designed early on, in parallel to the business model design. Thus, branding should be constructed prior to the company launch and should be clear before involving the multiple stakeholders in an ecosystem. Further, branding defines what a company stands for and shapes its culture, image and vision. The literature has not yet adequately defined what a brand is and how companies can define theirs. This is true for both startups and existing companies.

On the other hand, there are tools to help companies shape and design their business models (i.e. the business model canvas [25] and the e3 value model [14]), as well as other tools to help them design their value propositions (i.e. the value proposition canvas, [24]). Nonetheless, to date, the value proposition concept has mainly considered value creation for customers [11]. How can a company look at the value created for other stakeholders, such as shareholders, employees and society?

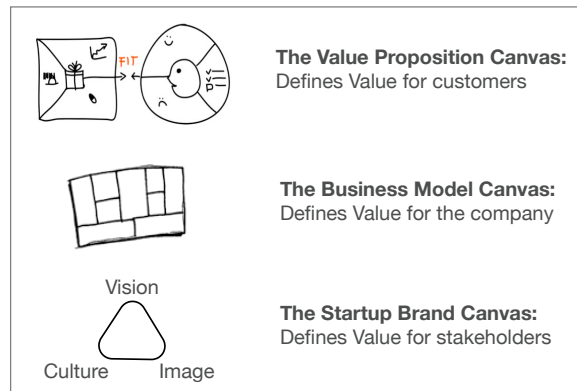


Figure 1: How the startup brand canvas complements existing tools

In the big data area, business models are evolving and are being innovated. New ventures and old stalwarts are trying to capture vast streams of data so as to implement them in new business areas. These innovations bring new challenges, such as privacy concerns. One can only address these issues by looking at all the stakeholders of a company. Thus, we argue that more research is needed to show how companies can use their brands to overcome these challenges.

We argue that companies need a conceptual model to co-design their brand, in parallel to designing their business model. (See Figure 1). We seek to develop an ontology to define startup branding, its concepts and its underlying relationships. The ideas we present here are still in progress. We seek to stimulate substantive research discussions about the topic.

2. What is a brand?

Since startup branding (SB) is under-researched, we looked at the literature on corporate branding (CB).

2.1 Corporate identity

Corporate identity (CI) is vital, since it gives organisations competitive advantage [2]. It is seen as an internal part of the corporate brand [29]. The identity concept is ubiquitous and multifaceted. The literature on identity is dense and lacks consensus. Balmer [1] defines CI as the mix of elements that makes an organisation distinct: the foundation of a business identity. In his

view, CI is made up of a company's culture, strategy, structure, history, business activities and market scope. A primary objective of business identity management is the acquisition of a favourable corporate brand. However, Fetscherin and Usunier [9] explain that there is a research gap underlying the fog in the terminology of the concepts of reputation, image, branding and identity. These terms have not yet been articulated in conceptual models (i.e. ontologies).

2.2 Corporate brand

Corporate brand (CB) emerged as a key concept in the late 1990s [5]. The primary difference between CB and CI is that a CI is necessary, while a brand is contingent. Nonetheless, a robust CB can be developed only if the CI is consistent ([10], [17]). These concepts provide powerful means by which a corporation can be revealed, understood and managed. Some researchers suggest that a CB should be directly derived from an organisation's identity and should communicate a subset of this identity to stakeholders [21]. For Balmer [3], CB is the conscious distillation and communication of a CI. For many companies, it is the face of the organisation [4]. Further, it is fundamental means of consumer recognition and symbolises a brand's differentiation from competitors [20]. Thus, a brand can provide a company with a sustainable competitive advantage. It is a powerful aperture through which to comprehend organisations and their interfaces with multiple stakeholder groups [4]. Neumeier [23] even notes that, nowadays, customers base all their choices on symbolic attributes. Branding has become a powerful business tool. It is a person's feelings about a company.

While numerous authors agree that it is hard to define branding (i.e. [7], [31], [34], [3]), there is no consensus about definitions. One approach to this problem was to define a brand as constituted by its components [8], but this leads to new problems in the choosing of these components.

Creating a corporate brand: Creating a CB is complicated and nuanced. According to Hatch and Schultz [17], companies must align three key independent elements to create a strong CB: vision, culture and image. Doing so requires concentrated managerial skills and will, because each element is driven by different consistencies. *Vision* is the aspirations for the company; *culture* encapsulates the organisation's values, behaviours and attitudes (employees' feelings about the company); *image* is the outside world's overall impressions of the company (Hatch & Schultz, 2001).

2.3 Brands and Stakeholders

Brands are based on stakeholders' perceptions ([19], [18]). Both internal and external stakeholders should be considered while designing a brand. Yet little is known about brand co-creation generally [27], especially how stakeholders engage in co-creating CB. In light of this, we need to focus on where value is created and to understand these relationships, i.e. how value is created [19]. Brand value is co-created within a stakeholder network [18]. There are different models to tackle this issue. Jones [19] developed a stakeholder model for brand equity that

suggests that stakeholder relationships are a source of the total brand equity. Iglesias [18] look at how brand value is co-created within a stakeholder network, while others [22] have developed a network participation model to look at how network actors' activities are relevant to a brand. Thus, the roles of stakeholders in CB is emphasised, and a recent stream in CB is CB co-creation [6].

2.4 Startup brands

More and more startups are created every year, thanks in part to the development of new technologies and the use of big data streams to create new ventures or change existing ones. Rode and Vallaster [29] note that startups that successfully develop an identity in line with their business concepts, values and philosophy are more successful than startups that do not. Further, when a startup successfully communicates this identity to its stakeholders and employees, it can develop a clear and differentiated image. The branding process is very different for new ventures than for existing firms [28].

A brand should tell the story of the company's business model. It should allow the venture to understand where it stands compared to others and what values to address to the multiple stakeholders included in its ecosystem. To do that, we argue that a conceptual model is needed to design a company's brand.

3. How does one design a brand tool?

Our project relies on design science research (DSR) methodology, which is widely accepted in information systems (IS) research for designing effective artefacts. We will also rely on Osterwalder and Pigneur [26], who explain how IS can help to design business models and similar strategic objects.

As noted by Fetscherin and Usunier [9], the concepts of *brands* and *branding* and their relationships are still unclear, and a conceptual model is needed to explain it and the causality between its underlying concepts. Thus, it is appropriate to design an ontology. The term *ontology* (with a lowercase o) refers to Gruber's [16] definition of an accurate specification of a conceptualisation, as a wilful semantic structure that encodes the implicit rules that constrains the structure of a part of reality [12]. The ontology development process, its lifecycle and methodologies, as well as the tools and languages to build them, can be looked at through the lens of *ontological engineering* [13]. The ontology should be *lightweight* (concepts, concepts' taxonomies, and their interrelationships). Thus, Uschold and King's [32] method is appropriate; they state that an ontology seeks to identify the key concepts and relationships in a domain and to produce precise unambiguous text definitions for such concepts and relationships. The startup brand ontology will encapsulate the different aspects mentioned in the literature review.

We plan to instantiate the conceptual model in the form of a startup brand canvas that would complement the business model canvas [25] and the value proposition canvas [24]. Visualisation can improve the quality of a strategic planning process. Eppler and Platts [10] provide a framework for visual strategising to design strategic management tools. By using real-time, interactive visual representations, we will seek to make our conceptual model understandable and easy to use. The tool should allow for co-designing and collaboration, since co-design can add value to a brand. Further, it should allow ventures to tell a story about their brands. In the literature, brands are expressions of business models and should be told as narratives for stakeholders to understand them and interact with them.

4. How does one evaluate a brand tool?

Evaluation is essential to DSR [33]. Sonnenberg and Vom Brock [30] propose a two-phase artefact evaluation pattern: ex ante and ex post. Phase 1 validates the design and construction of the artefact, while phase 2 validates the instances and uses of the artefact. This means that the ontology should be coherent and as complete as possible. We will test this with the existing literature and in academia. We will conduct the second evaluations by illustrating the instances and uses of the artefact. Thus, we will conduct a demonstration of the use of the artefact with a well-known example, and we will conduct case studies among startups. In the case studies, one of the evaluations will be observational, relating to the startups' de facto usages and its usefulness as a strategic tool to help practitioners in their strategic decisions.

5. What are the foreseen contributions?

We see three clear contributions: First, the project will have broad impacts, given the scarcity of the existing literature and potential uses to startups. By leveraging concepts from corporate branding for startup environments, we link two research domains. Further, according to Payne et al. [27], little is known about brand co-creation generally and, since SB is under-researched, there are no studies on the co-creation of SB. Thus, applying stakeholder theories to a branding tool might contribute to the literature about co-branding and the stakeholders' visions.

Second, we will derive a design theory [15] on how to build a co-design tool for startup brands. This design theory should outline the key elements and principles for the development of a co-branding design tool. This theory could be generalised and could contribute to the literature on how to design strategic tools.

The final tool we plan to design is aimed at practitioners. We want to provide them with a strategic tool that can be used to co-design a brand in a company. If the tool's utility is proven, it might replace the need for a consulting company. Co-designing the branding strategy internally instead of outsourcing it might lead startups to save time and monetary resources, which are

critical for a new venture. It will allow them to understand their stakeholders' expectations of their brands and to have a clear strategy to address these expectations. Further, VPs can help to make value exchange opportunities more transparent and can provide new, enhanced co-creation opportunities if they are well developed and expressed [11]. Our model could help companies to make their VPs more explicit and could help them to communicate their VPs to their stakeholders.

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