Branding early stage media technology startups

How branding helps new tech ventures acquire unique strategic positioning

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ABSTRACT

This research examined how early stage media technology startups can use branding in the digital environment to innovate their business models and strategically position themselves in their markets. Operating in a global and extensively disruptive industry new tech ventures find it difficult to acquire strong strategic position and sustain a competitive advantage purely on their technological basis. Young tech companies have to innovate their business models from a customer-centric approach and find new ways to increase their competitiveness. Building brand online allows young tech startups to create additional value and establish immutable differentiation which leads to a strong strategic position. This research examined business models of ten prosperous media technology startups through a branding perspective by conducting comparative case studies.

The comparison of the cases revealed several significant findings. Early stage media tech companies should innovate their business models through a brand differentiation perspective working towards establishing an online brand presence and customer engagement accompanied with innovative use of technologies for their branding purposes. The following business model elements should be considered as important by startups: brand identity, brand extensions, web-analytics, onboarding experience, personalization, customer engagement, customer service, social media and websites. Tech startups can address those elements by creating coherent brand identity, using brand endorsing strategy, providing interactive onboarding experience on their websites, producing branded content for social media channels, organizing contest and giveaways on social media, using web-analytics and behavior tracking systems, as well as automation marketing services and real-time online support tools for greater relational personalization. The findings indicate the rising role of customers in the media tech industry which implies that startups seeking strategic positioning should place greater importance on brand differentiation and focus on additional areas that can generate value for customers online.

KEYWORDS: Brand, branding, strategic positioning, technology startups, differentiation, business model innovation
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1. Introduction

Throughout the last years startups have gained a major significance in a world information economy (Herrmann, Gauthier, Holtschke, Berman, & Marmer, 2015). For the past two decades, high-technology startups in Silicon Valley have caused a significant growth of an industry overcoming traditional industries by 175% (Henton, Kaiser, & Held, 2015). For the period of the last 28 years the creation of new jobs in the United States economy should be primarily attributed to high-tech startups, the contribution of which is very effective (Kane, 2010). The socio-economic importance of the tech industry and its actors becomes more feasible each day as we see how newly developed products and accompanying architectures of information economy rampantly substitute their predecessors from earlier ages completely alternating and changing various life aspects of our societies. Among the great examples of game-changing startups are Airbnb, Instagram or Uber. Each on its own brings a new set of rules to the existing industry or practice: Airbnb shapes traveling industry, Uber alternates transportation domain and Instagram largely influenced contemporary photography.

However, even though the technology industry itself constantly proliferates and sets new levels of limits for its growth the success rate of businesses in it is not all that consistent. In the tech industry, the likelihood of startup failure is very high and different studies have proved that most of startup companies in this fast-paced industry fail. The numbers differ from study to study, as the failure of startup might imply either the inability of a company to bring returns on investments or a complete failure of startup in terms of operational effectiveness and full bankruptcy (Gage, 2012; Nobel, 2011). As stated by Gans, Hsu, & Stern (2000) an average venture-backed high-tech start-up company has a 60 percent rate of probability of going bankrupt in a short term. According to the statement, the set of reasons behind such a high percentage of failure includes high cost of capital for young companies, their inability to react quickly to a change in a market and intensive competition between similar companies. A Y combinator (Y combinator, n.d.), being one of the most well-renowned and reputable startup accelerators in the Silicon Valley has previously shown that only 37 startups among 511 accepted to the combinator could make it past the barrier of high growth (Rao, 2013). A recent study, formerly named as Startup Genome project has investigated the same issue on a large-scale sample data, which
included more than 3200 technology startups primarily developing and working on the product for web/mobile use (Marmer, Herrmann, Dogrultan, & Berman, 2012). The report on the project reveals that 90% of high growth startups fail within first three years of their existence. The premature scale is said to be one of the most primary reasons why tech startups would demonstrate bad future performance. According to the report, the premature scaling is characterized by inconsistent overestimation of one the business dimensions, which as a consequence leads to an exaggeration of one part and its incapacity to be in tune with other business elements. A clear example of that would be an over-developed software product, bloated with unneeded and never used features: as expressed by Slade (2014) the biggest problem of startups is not listening to customers and creating something that people actually don’t want to use.

In order to survive in healthy economies young ventures have to introduce newness to the market (Eisenhardt & Schoonhoven, 1990). Technology startups operating within an industry with such an unpromising prediction numbers for the success, have also to be able to compete within the global scope, rather than only regional or national markets (Chorev & Anderson, 2006). However, in order for audiences to be able to spot the newness and innovation and be able to pick up the product within a scope of a global offerings startup have to position themselves strongly. Startups need to develop concrete and specific strategy that would serve their business model and help differentiate themselves in the market (Finkelstein, 2001; Watts, 2002). Only by doing so, they will be able to gain unique strategic positioning and achieve sustainable competitive advantage over their rivals (Porter, 1996; Porter, 2011).

Successful startups of the digital ages are those companies, who have managed not only to come up with a good product or service but also to build a strong brand out of their business and bring additional value to the customers (Keller, 2013; Kapferer 2012) utilizing opportunities provided by the online environment. Building a strong and sophisticated brand online is crucial part of becoming competitive in digital economy for young tech companies (Bresciani & Eppler, 2010; Juntunen, Saraniemi, Halttu, & Thtinen, 2010) as in general brand is a valuable long-standing unique asset for a company if managed properly (Abimbola, 2010; Peteraf, 1993; Srivastava, Fahey, & Christensen, 2001). The issue is that the arrival of new media technologies and more specifically social media reconfigured the way people communicate with brands and
companies struggled to keep up with the changes (Hoffman & Fodor, 2010; Yan, 2011). As active participation of audience became technologically possible in a networked and decentralized medium such as Internet large amount of managers worldwide started to integrate blogging and social networking into their communication strategy, naturally redefining the way their brand operated and was delivered online. The major expansion of social media technologies to mobile platforms provided the possibilities to tap into new audiences and generate value in an innovative way. At some point, mobile platforms even got a higher priority over other forms of communication. The expansion of social media is truly feasible: there is a tendency for a heavy social networking usage in a daily routine by people of both genders aged under 45 years (Lenhart, Purcell, Smith, & Zickuhr, 2010); New functional elements that have been introduced in the era of web 2.0 enabled brands to start building new connections with their existing user base (Yan, 2011). Brands are now able to grow their audience in a short time and enhance the users’ sense of belonging to the brand by generating strong engagement on the Internet (Yan, 2011). A properly developed brand can increase the competitive strength of startups (Keller, 2009; Keller, 2013) and help them to mitigate the hardship of introduction new product offering to the market (Abimbola, 2001). For all those reasons building a strong brand in the online environment should be seen by young tech startups as a new strategic perspective on their competitiveness (Abimbola, 2010).

However, many technology startups underestimate the significance of branding and do not dedicate solid amount of time and efforts into brand related activities. As pointed by Keller (2013) “technology companies typically spend less on consumer research compared with other types of companies” (p. 41) and “often do not invest in building strong brands” (p. 41). This ignorance can be explained through a set of reasons regarding operational realities of startups. As discussed by Abimbola & Vallaster (2007) startups usually lack in terms of resources and have a limited time span for their actions. This inevitably prevents companies from spending existing resources on branding, as well as stops them devoting additional time for the execution of those activities. Another clear and feasible obstacle that heads start-up companies off from having a strong brand is the absence of prior identity or reputation during the time of their initial activity (Petkova, Rindova & Gupta, 2008). The lack of this identity might also be considered as a result of operation
in an ambiguous and unpredictable environment which is especially articulated and evident in the
technology sector. For example, the internal stack of technologies might constantly change, while
the technologies themselves might also evolve rapidly, leaving startups unsure about the proper
application of their product (Chorev & Anderson, 2006). As a consequence those companies might
have problems formulating unique value proposition which is the core of any business strategy
and one of the most crucial organizational principles of a company (Payne & Frow, 2014a; Payne
& Frow, 2014b).

The highly remarkable characteristic which is usually found in startups operating in the
technology sector is the lack of customer focus and pure concentration on a technology itself.
However, as stated by Chesbrough (2010): “technology by itself has no single objective value” (p
354). This unhealthy attentiveness to technology among tech companies might result in an absent-
minded attitude to branding and subsequent marketing activities. The primary issue with that is the
elevation of the complexity level for the future development of startups as it would be extremely
hard for them to achieve and maintain unique competitive advantage based purely on its
technological advantage (Davis, Fusfeld, Scriven, & Tritle, 2001; Gliga & Evers, 2010). This
threatening idea of technological uniqueness alone, usually believed in, pushed and exercised by
start-up leaders who come from technological backgrounds (MacInnis & Heslop, 1990), leads
companies to failures because of other business reasons unrelated to the technology (Chorev &
Anderson, 2006).

For all those reasons, it is worth investigating how young mobile startups can use branding
in the new media environment as a crucial strategical mean to increase their business
competitiveness. It is particularly interesting to know how young startups that provide web and
mobile software and media services for consumers may use branding as a competitive paradigm to
overcome their initial vulnerability and to tackle challenges related to the development of
customer oriented parts of their business. It is important to know in which ways and what
capacities those (digital) startups have to mobilize to generate new value for online customers with
their brand.

In this sense, the following research question was formulated for this paper: “How can
early stage media technology startups in the United States and Europe use branding in the digital
environment to innovate their business model and strategically position themselves in their respective markets?"

For the purpose of answering this research question a paradigm of a business model canvas will be used (Osterwalder, 2010). Several elements which constitute the customer centric part of business models will be analyzed: value proposition, channels, customer segment and relations. Accordingly a set of the following sub questions was formulated:
- How can media technology startups innovate their value proposition with online branding?
- How can media technology startups use online branding to innovate their channels?
- How can media technology startups innovate their customer segments with online branding?
- How can media technology startups innovate their customer relations with online branding?

As pointed by Rode & Vallaster (2005), even though the topic of branding has been extensively covered in academic and practitioner literature, the majority of it concentrates on the cases of well established firms and multinational companies. As a consequence, the accompanying branding practices, guidelines and highly needed advices are usually tailored specifically for those types of entities. According to Ojasalo, Ntti, & Olkkonen (2008) the way big companies build their brand is different from how it is conducted out by small and medium size enterprises. Startups would certainly distinguish from both SME and large companies in terms of selection and execution of brand building activities, as well as issues faced during those processes.

In this sense, by performing a comparative case study this research project is intended to execute a twofold function. First, it aims to contribute to the field of academia by bridging the existing gap in the literature and complement the building of theory about branding for startups in the new media environment. Second, it seeks to provide additional practical insights on the topic of online branding for young ventures and derive practical solutions for everyone interested in growing or starting a tech startup.

The following part of the paper presents a theoretical framework which will be used to investigate the cases. First, the concept of brand is being addresses and identified through a customer centric perspective. Later on the strategic importance of a brand is being explained and four business model elements that were outlined previously are discussed in relation to recent transformations in new media environments and accompanied branding practices. Afterwards the
methodology section explains how the cases will be examined and present a case study template for further research. Next, the relevant findings from the comparison between cases are discussed in regards to the theoretical framework outlined previously. Finally, the conclusion summarizes and reflects the significant findings as well as present limitations of the research.
2. Theoretical framework

2.1. The definition of a brand

One of the widely adopted definitions of brand was developed by the American Marketing Association (AMA). According to AMA as cited by Keller (2013) brand is “a name, term, sign, symbol, design, or a combination of them, intended to identify the goods or services of one or more sellers and to differentiate them from those of competitors” (p.30). However, a pointed by Keller (2013) this definition is very broad and as an outcome the concept might be applied to virtually anything. This statement comes from the complexity of a brand concept and diverse ways in which it can be understood (Keller, 2013, p.57).

Kapferer (2012) outlines two primary distinctive paradigms in which brands can be defined and assessed. One of them is a customer-based approach which primarily addresses the relational aspect of a brand with its customers. This approach includes and builds upon such concepts as brand awareness, customer loyalty and emotional bonding. Kapferer (2012) calls Keller’s (1998) definition to be classical for this paradigm who defines a brand as “a set of mental associations, held by the consumer, which add to the perceived value of a product or service” (p. 5). This approach does also chime in with Wood (2000, p. 664) who cites Ambler’s (1992) definition of brand as a set of promises and buying attributes addressed to a customer the nature of which is diverse and can be real, rational, tangible, illusory, emotional and invisible . While in this paradigm the central point is placed upon perceived value a brand should not be assumed to be exclusively a set of added perceptions, because according to Kapferer (2012) this might lead to a false conclusion that brand building and management is purely a communication task (p.10).

Another way in which a brand can be understood and expressed focuses on the financial aspect of the concept and is primarily related to brand’s value being objectively expressed in monetary measures (Kapferer, 2012). Through the lens of this approach a brand is seen as an intangible asset of the company which is highlighted to be conditional, meaning that it is inevitably tightened to material assets of a company and cannot co-exist without supportive base of products or services (Kapferer, 2012).
Even though two approaches described might have different focal areas and evaluation methods Kapferer (2012) suggests that modern brand management should be able to bring both of those paradigms together and start thinking of a brand from a notion of a product or service as a leading point of perceived values the in/tangible perceptions of which are build and guided by communication (p.10). The following paper aims to align to this suggestion and primarily undertakes a customer-based approach to the concept of a brand while at the same time trying not to limit subsequent branding activities only to communicational marketing aspect and also stress operational and functional sides of a product or service embodied in the brand.

2.2. Benefit of a strong brand

As noted by Hoeffler & Keller (2002) brands have the inherent potential to affect the responses of the customers to marketing activities related to product, communications and channels. A strong brand helps differentiate a product or service from its competitors and can be “symbolic embodiment of the information connected to the product or service that creates recognition or association with customers in either a psychological or perceptive way” (Chiang,Lin, & Wang, 2008, p.1). Keller (2013) lists many advantages activated by brands including better product perception, better customer loyalty, better trade cooperation and support opportunities, less vulnerability to market crisis, better employee recruitment process, licensing opportunities, increased market communication effectiveness and larger margins. Moreover to that it is outlined that strong brands can reduce the acceptance of competitive products by its customers. As Keller (2013) writes strong brands can generate competitive advantages and differentiate business in a whole product category through product performance or other non-product-related means such as intangible image associations (p.32). Brands with their accompanied perceived values can directly affect the levels of premium price a company may charge as well as define a company as a market leadership and unlock additional cost advantages (Kapferer, 2012, p. 25). In all sense, brand can serve as a strategic tool to create differentiation and add value to the customer. For all of those reason strong brands have been recognized strategic tool an important marketing advantage and many companies have devoted their attention to brand building activities (Hoeffler & Keller, 2002).
Balmer (2010) states that according to Gregory & Sellers (2002) the process of brand building constitutes of four distinctive progressive steps: intelligence gathering, strategy, communication and management. Intelligence gathering process stands for the information collection step, where the situation of the brand is captured in order to provide an input for brand strategy. Strategy stage helps the brand to define the set of its promises, key attributes and messages that brand will deliver to the external world. In this step brand executes positioning - “management process that seeks to establish a new position in markets and minds or modifies (fortify or change) an existing one” (Urde & Koch, 2014, p. 479). During the communication step strategy is being executed and brand expressions are communicated internally and externally. In the management stage, the primary goal is to establish a brand management system in order to be able to sustain the brand and develop it further. However, this part is more relevant to mature brands and companies. The strategic part of brand building is critical as it intersects with a corporate strategy (Melewar & Walker, 2003).

2.3. Strategic importance of a brand

Strategy helps companies to understand and develop the position they strive to occupy in the marketplace and the advantage on which those companies will compete (Porter, 1996; Porter, 2011). Business strategy should be concrete and specific, in order to help companies make choices about how they are going to distinguish themselves and deliver unique value to the customer (be it online or offline environment). Strategy helps companies to define their own perspectives on competition and as a consequence outline foundation of the potential competitive advantages. According to Porter, there are two distinct ways in which any company can be more competitive in its inner marker (Porter, 1996). First, it can try to produce equivalent product or service than its rivals, but at a lower rate of inherent cost. It can be done by performing the same tasks than rivals do but do it more efficient - in other words, by achieving operational effectiveness. In essence, it enables company to keep the same price as other market players, but be more profitable compared to them. Even with a price lower than market’s average company might be still also efficient. Although it is important to keep an eye on operational effectiveness, this part alone will not lead to an outstanding performance of a company in a long run. In this sense, the second way of
becoming more competitive is differentiation (Porter, 1996; Porter, 2011). Company can differentiate, by charging a higher price for its products or services, but it has to offer something different from its rivals to deliver value to the customers which will compensate the price. By executing similar activities in a different way companies can acquire strategic positioning which allows them to be more profitable.

This aligns to Kapferer (2012) who states that material (or product) differentiation is a continuous rivalry in which companies copy each other solutions and best ideas (p. 56). Moreover to that as outlined by Keller (2013) a set of factors including globalization, rampant spread of low-priced competitors, growing amount of brand extensions and deregulation of some industries has affected the global market rules in the last decades and resulted in a very increased number of competitors which are hard to compete with on price and product features (p. 56). In those circumstances, the strategic importance of brand increasingly grows because brands as argued by Kapferer (2012) in their very concept are aimed at adding value to the customer and establishing differentiation which is immutable per se and prevents easy substitutability (p56). Moreover to that brands generate additional benefits outlined previously. The importance of brand as a strategic tool is also acknowledged wishing a resource based view (RBV) on competitive advantage. RBV on competitive advantage suggests a hypothesis that performance differences and heterogeneous market positions of close competitors can be attributed to the variation of unique resources and capabilities across firms (Barney et al., 2001; Srivastava et al., 2001). The resources and capabilities might come in the form of a tangible and intangible asset (Hoopes, Madsen, & Walker, 2003). According to Makadok (2001) brand is an observable resource that can be valued. In this sense brand should be though as a powerful strategic resource which, in case it is isolated from imitation amplifies buyers value and helps company acquire unique strategic positioning (Kraaijenbrink, Spender, & Groen, 2010).

2.4. Brand positioning in digital environment

Urde & Koch (2014) outline two possible approaches to strategy stage, in which branding can be executed. Those approaches are market or brand oriented positioning. Two distinctive approaches find their differences not only in how they understand and define the brand and its management,
but also in what kind of companies can make use of the approach. According to classification, a market orientation might be described as an outside-inside perspective, in which brand image plays the key role and is defined by customers and non-customer stakeholders. Within this approach company sensitively responds to market needs. The brand orientation represents an opposite inside-outside perspective, in which internally developed brand identity set the boundaries to potential responses and to needs of the customers. In this sense, a comprehensive and consistent set of brand building activities would combine and harmonize various operational functions. Being at one time, market oriented, it has to address internal relations and capabilities of the company as well.

However, because products and services come into contact with a customer more easily now, substantial branding actions are both crucial in offline and online environments which introduces more complexity to the issue of branding (Helm & Jones, 2010). This is particularly true for technology startups. As defined by Tech Nation (2016), digital tech business are “businesses that provide a digital technical service/product/platform/hardware, or heavily relies on it, as their primary revenue source” (p.4) or “provides a product/service that is reliant on digital technology as its primary revenue source” (p.120). In this sense technology startups are primarily operating in a digital environment meaning that they have to adapt their strategic practices including branding accordingly to that environment. This is extremely hard to do concerning that media, telecoms and technology industries are called to be most disrupted industries in the modern digital economy (Grossman, 2016). The digital environment has its own unique character and aspects that have to be taken into account in order for branding strategy and tactics to work well in it. There are several branding models that were developed with specific attention to the recent transformation of branding and subsequent marketing practices brought by digitalization and spread of social networking (Chernatony & Christodoulides, 2004; Simmons, 2007; Simmons, Thomas & Truong, 2010). Throughout those models, the importance of branding in an online environment has been stressed, as well as importance of required authenticity of branding actions and messages is being highlighted.

As argued Lipiäinen & Karjaluoto (2015) the digital environment requires companies to take a holistic approach to branding with a strong marketing orientation and intense integration
with other different functions. A digital branding model developed by Lipiäinen & Karjaluoto (2015) addresses this notion and suggests that a branding strategy in the digital age should be aimed at formulating a unique and consistent image of a company trying to overcome the inability of the total control over it. As branding takes place both in direct (brand and stakeholders) and indirect dimensions (internal - external stakeholders), as well as different networks and brand-connected themes, three primary focus areas are outline including internal delivery of a brand (internal branding), external delivery of a brand (external branding) and brand positioning in relevant conversations. According to the previous study on startup branding by Bresciani & Eppler (2010) startups might use different means in order to start building their brand including advertisement, event, sponsorship, public relation and online marketing. This aligns to digital branding model developed by Lipiäinen & Karjaluoto (2015) who state that external branding and brand positioning activities can be exercised through traditional marketing tools, such as advertising or pr activities or online marketing means. Lipiäinen & Karjaluoto (2015) stress the importance of online marketing in the brand building process as it helps to build an online presence of a brand, position the brand in relevant online conversations (for example through social networks) and in result acquire strategic positioning. As noted by Keller (2013) regardless of an existent variety of approaches to brand management in both online and offline environment there is a major agreement that brand value (or brand equity) are largely depended on marketing effects aligned to a brand. For those reasons and conveniences in the later parts of the research branding activities that take place in new media environment are referred to as online branding.

2.5. Business model innovation

Strategical decisions companies make are primarily expressed and executed in a company’s business model (Osterwalder & Pigneur, 2010). Business model is a way to commercialize new ideas or technology and two different business models, even if developed for the same product may lead to different economic outcomes (Chesbrough, 2010). Two primary functional roles can be attributed to business models in general - value creation and value capture (Chesbrough, 2007). As stated by Teece (2010) any particular venture has an either explicitly or implicitly expressed business model which defines the architecture of the value creation, delivery and capture
mechanisms. Teece (2010) also states that even successful business models might be vulnerable because of the potential to be imitated and as a consequence differentiation is much needed as a solution to this vulnerability. The researches of business models seeks to explain strategic issues such as how companies create and capture value, gain competitive advantage and use information technologies to innovate (Zott, Amit, & Massa, 2011). This research paradigm can be aligned to the investigation of branding activities because brands being seen as unique eternal asset bring the advantages of differentiation to the companies and help them to generate additional value (Keller 2013). In this sense, it is a well reasoned choice to employ an angle of a research which will focus on the business models of tech startups. In order to do so, there is a need to use a comprehensive framework which will enable the examination of a business model on different levels. The framework used in this paper is a business model canvas (Osterwalder & Pigneur, 2010). According to this framework a business model can be expressed as a composition of nine primary blocks, which put together give an account of whole areas of business and its operational working schema. The set of those blocks include customer segments, value proposition, channels, customer relationships, revenue streams, key resources, key activities, key partnership and cost structure. Each of those blocks define how a company performs specific part of its business.

2.5. Key business model components for tech startup branding

Several business model elements can be selected as relevant in regards to startup branding and digital branding model discussed before. The research investigates how startups can strategically position themselves by innovating their value propositions, customer segments, customer relationships, and channels. Chosen business model elements provide a comprehensive overview of a customer centric part of the business which can be encompassed by branding activities in digital environment and in this sense particularly focus on how startups create additional value with their brands (Osterwalder & Pigneur; 2010). For this reason the block of value proposition is included in the list. Moreover to that, aligning to a customer centric nature of branding in which brands target their audiences and aim at establishing with them direct engagement it is logical to include customer relationships and customer segments blocks as primary units of further analysis. Finally, as the research is limited to media technology startups and branding activities which are
performed in a new media environment it is also inevitably crucial to take a look at the block of channels to address particular routes in which those companies can deliver their value proposition to users. Because the primary focus of this research is placed on online branding and startups that operate in a “business to client” mode other components of business model canvas such as key activities, key resources, key partnerships, cost structure and revenue streams were excluded. Even though those components might be relevant to branding in an offline environment or to some extent internal branding they are not particularly applicable to a customer centric research approach undertaken in this paper and largely relate to the internal domains of businesses.

2.6. Value proposition

According to Osterwalder (2010) and business model canvas paradigm value propositions block stands for the bundle of products and services that business offer to a specific customer segment and thus create value for them. Within this perspective described by Osterwalder value can be generated in different ways, depending on the type of business, their customers and many other variables. Because of that Osterwalder (2010) point that values can be understood as a “distinct mix of elements catering to that segment’s needs” (p. 23) and could be further divided in quantitative or qualitative groups. Technology startups are struggling with their value proposition as those types of companies commonly try to sustain competitive advantage by purely concentrating on technology (Davis et al., 2001; Gliga & Evers, 2010). It is important to outline that technology on its own do not posses any objective value until commercialized with an appropriate business model and “a mediocre technology pursued within a great business model may be more valuable that a great technology exploited via a mediocre business model” (Chesbrough, 2010, p. 355). Moreover to that, as argued by Teece (2010) in the technology industries startups that develop digital products possess very high inherent risk to miss customer needs and as a consequence fails to deliver or capture the value from their innovations. Startup leaders who aim to achieve competitive advantage have to proliferate not only in the innovation of a product, but also excel at the formulation of comprehensive business model architecture, by deeply addressing customer needs.
The problem that startups face with their value propositions fully aligns with an argumentation developed by Holt (2003), who states that major amount of business undertake the assumption that product values measured by their firm are identical to the values which their customers will experience (p. 504). A marketing approach however doubts “objective” qualities of the product that business tends to believe in and instead highlights the perceptual nature of value, most commonly structured by subjective understandings of customers. This is why branding posses a rich full potential for modern tech startups in innovating their value proposition, which they usually base and limit to product qualities and technology possessed. Branding, as a part of business strategy, has already been recognized to be an effective and efficient tool which enables the creation of a value (Holt, 2003; Laforet, 2009; Aaker, 2012; Keller, 2015). As Osterwalder (2010) puts it: “customers may find value in the simple act of using and displaying a specific brand” (p. 25). The valuation of the brand and experience it provides comes from the social life. This is why branding should be thought as a management perspective that seeks to formulate this perceived value by shaping customer perceptions and product experiences (Holt, 2003).

In the last decades technology sector operated in a mode in which technological opportunities received higher importance than an existing market demand (Helm, 2007). Accompanied with novel and ground breaking technological solutions as primary pushing forces this has helped the sector to experience a truly rapid growth. There is no wonder that in this kind of mode in which product advancements were seen as a competitive advantage, branding practices were grounded to product features and their performance. However, in a long term-run the strategic significance of non-functional and emotional aspects has been recognized as a requirement for a differentiated positioning and competitive paradigm (Mollen & Wilson, 2010; Rappaport, 2007).

2.6.1. Building value proposition with online branding

The changes brought by new media technologies escalated the need to generate additional value today and made it way more feasible. According to Clemons, Spitler, Gu, & Markopoulos (2005) online environment posses high information availability which reduced the cost of communicating with customers and made customer targeting significantly easier. In turn, this has increased the competitive pressure on different commodity and in this sense, modern businesses are required to
produce highly differentiated products and services or alternate them. Companies take a high risk if they do not do so. Reflecting on that Clemons (et al., 2005) introduce the term hyper differentiation which is defined as “art of reducing the importance of price as the principal determinant of customers’ selection among alternative goods and services” (p. 1). In other words, pursuing hyper differentiations means trying to generate different delight values for customers which are credible enough to encourage them select the product dumping available alternatives.

Laforet (2009) aligns with this type of argumentation and puts it in the context of branding describing a concept of a model called “more added value” (MAV). The primary idea of MVA concept states that businesses have to deliver more than just customer’s expectations, provide them with solutions to problems upfront before customers ask for them as well as give customers something they want without even knowing that. Applied to a branding perspective and practices it means that companies have to build innovative brand that constantly excites customers, adapts to their lifestyle and gives them either concrete or abstract values (Laforet, p.75).

The same statements and principles could be applied for the digital marketplaces as an online brands can be perceived by customers and users as identifiable valuable and differentiated products (Morgan-Thomas & Veloutsou, 2013). In fact, the necessity of innovative branding becomes even more clear as we take into the context in which the consumer experiences online brands. As stated by Kollmann & Suckow (2008) online environment lacks physical interaction and tangibility of the products which introduces another level of uncertainty for the customers and challenges for the companies to convince their customers with their existing value proposition. In addition to that user switching costs are extremely low, while price is being pushed away as a differentiating factor because of the search engine mechanisms and filters (Eid, Al Sharief & Hussein, 2012). For this reason customers tend to avoid products and services of an unknown brands, and instead pick options that are familiar to them, as they represent set of clear and trusted values for them (Bergstrom, 2000). On top of that it has been researched and proven that online customers have specific perception of an online brands (Eid et al., 2012). In this sense, it becomes extremely important for companies to understand and create conditions that result in a positive online brand experience. As stated by Kapferer (2012) modern business should understand that brands have enormous potential to unlock additional value by tapping into the mind of their
consumer instead of focusing on tangible assets. Chiang, Lin & Wang (2008) point out that
business should focus on creating additional brand value for the customers, as it is the most crucial
key for their success in online environment. When aligned to the customer need and behaviors
brand perceptions has been proven to be effective positioning tool for online services. As found by
Eid, (et al., 2012) emotional connection and design are important factors in digital marketplace as
they positively influence the success of online branding.

In this sense, customer oriented online branding should be understood by technology
startups as a tool which will help them innovate a value proposition by formulating or upgrading
primarily the perceived value of their brand or product, rather than actual product-inherent values.
For those reasons their value proposition would not be defined by functional benefits of their
product, its features, or technical performance.

2.6.1.1. Brand identity

One of the ways in which tech startups can innovate their value proposition is by building
coherent brand identity which will act as a total sum of company’s vision, core beliefs and primary
values of the offered product or service (Kapferer, 2012). Developed brand identity might help
tech startups to differentiate themselves and enhance value proposition as it can be build not only
upon functional traits of a product or service, but make use of emotional conveniences, self-
expressive satisfactions, participatory interest and brand-customer intimacy potentials (Ind,
Iglesias, & Schultz, 2013). The brand identity might be modularized and broken into smaller
elements for convenience of the future analysis of it. According to Wheeler (2003) a developed
brand identity can be evaluated at several different layers including the name of the company, its
tagline, the brandmark system, official colors of the brand as well as distinctive typographical
choices. The brand identity development process might also help to identify hidden values, which
can be successfully integrated in the brand personality. Sometimes an entrepreneur is a brand and
personification of a brand is an unspotted option which can help to generate competitive
advantage (Ojasalo et al., 2008). Brand identity building process enables the identification of a
customer with a brand, thus unlocks sustainable differentiation (Keller, 1993). Studies have shown
that brand identity built on abstract concepts is more likely to underperform compared to those
build on personal identification (Krake, 2005). As stated by Chiang (et al., 2008) brand image and brand personality to create additional benefits for the company as they generate trust, reliability, and sophistication for the customers. The separation and difference in brand image and brand identity pose a risk for a company (Nandan, 2005). The inability of companies to establish coherent brand identity might result in lack of any differentiation (Kapferer, 2012). Without having own brand identity business might start to copy existing brand identities of their competitors and lose competitive advantage to them.

2.6.1.2. Brand extensions

As it was seen from the previous paragraphs, companies find it hard to convince online users with their existing value proposition because of the high level of uncertainty in the Internet medium. In order to overcome this uncertainty and build stronger value proposition young tech companies have to find additional method to develop trust and reliability within potential or existing customers (Chiang et al., 2008). According to Song (et al., 2010) online firms have a strong tendency to launch their new products in a way which makes use of consumers' recognition in regards to an already established brands. The appliance of this method named brand extension allows online companies to reduce the risk of failure associated with new product launch. Brand extension can be defined as the use of established brand names to enter new product categories or classes (Keller & Aaker, 1992). Song (et al., 2010) empirically tested the concept of brand extension for the context of IT products in electronic markets providing insights to an innovative marketing promotion strategies for the field. According to findings perceived quality of a parent brand can be transmitted to the brand extension with the perceived quality of the extension being positively influenced by the rate of perceived fit between the parent brand and a new product. The findings of the study also acknowledge the same principle to be valid for online environments and most importantly digital technology products.

2.7. Customer segments

In a business model canvas paradigm customer segments block defines the different groups of people or organizations that business tries to reach and serve (Osterwalder, & Pigneur, 2010). The
distinction of customers into segments helps companies to target each of them differently and appropriately customize key messages aligned to the value proposition of their brands as well as the ways customers experience it. Customers can be identified into different segment based on common needs, behaviors and other attributes (Osterwalder & Pigneur, 2009, p. 20). Distinction of customer segments same as a brand building process requires evaluated decision to be made by business developers to determine which customers are relevant to the company and which will be ignored. Sound business models are crafted around relevant customers segments based on the understanding of those segments and their specific needs. In other words value propositions developed by companies have to address the needs of different customer segments (Osterwalder & Pigneur, 2009, p. 21).

Technology startups can know what kind of value they are delivering to their clients and if they are doing so in a well balanced manner only if they have a solid understanding of their customer segment and its behavior (Edleman, 2010). As outlined by Osterwalder & Pigneur (2009) different customer segments might require different types of relationships as well as can be reached through different channels meaning that companies should have a comprehensive understanding of people they are dealing with. In order to have those young business need to focus on expectations their potential and existing customers possess. Young tech startups should assess those aspects even outside of the scope of the present business in order to find new ways of delivering values.

2.7.1. Researching customer segments with online branding

As outlined by Munoz & Kumar (2004), when it comes to evaluation of brand performance and in this sense an understanding whether a brand appeals and works for a particular customer segment alarmingly small amount of companies are concerned about having a systematic measurements approach in that area. However, in the domain of a B2C environment establishing an organized brand measurement system is crucial because it acts as a powerful strategic management tool which helps business facilitate continuous improvements over brand’s performance again segments (Munoz & Kumar, 2004) which in return allows companies to link their brand performance to overall business performance.
There are two several key points that can be outlined in regards to the positive influence of effective brand measurement systems on a customer segment block in a business model paradigm. First of all, brand management system allows companies to understand “how the brand is performing against customer expectations” (Munoz & Kumar, 2004, p. 382). Second, it helps to “identify brand weaknesses before they become business problems” (Munoz & Kumar, 2004, p. 382). Many companies today employ a set of integrated marketing activities which take their customers through different stages easily described with the help of REAN model (Jackson, 2009, p. 21). The assumption behind REAN model is that every business needs to execute a four step scenario: reach their potential customers, engage with them, activate or convert them, and finally nurture making them to return, hence the abbreviation of the model. Each of those stages requires its own class of measurements that will allow firms to capture the effectiveness of their brand building activities, directly connect it to the business impacts and address two influential points described before.

The range of metrics which can be employed to measure effectiveness of brand-building activity constitutes of perception, performance and financial metrics (Munoz & Kumar, 2004, p. 383). While financial metrics is relevant for such aspect of branding as brand valuation, perception and performant metrics are more relevant to customer segment block of business model as in conjunction they allow to capture “functional, emotional and latent connections that combine to form an opinion of a brand” and drive diverse business results (Munoz & Kumar, 2004, p. 380). More specifically employing perceptual brand metrics helps business to measure recognition of a brand among their customer segments as well as learn about different aspects of brand familiarity and considerations those segments posses (such as credibility, likability, perceived quality, purchase intention and most importantly differentiation so much needed for young tech companies) (Munoz & Kumar, 2004, p. 383). Performance metrics on the other hand helps companies to keep track on such brand-relevant aspects of their segment as customer behavior, preferences, satisfaction and lifetime values (Munoz & Kumar, 2004). This area of branding to a large extend intersects with other marketing activities especially being put into digital environment. This is no wonder as according to Hipperson (2011) analytics data encompasses a wide range of functions within business domain which in general covers both strategic aspects of
online branding and more tactical digital marketing activities. Hipperson (2011) also states that modern agencies and business have a strong need to understand their online customer segments as well as consumer communities in order to create strong connections between them and a brand.

2.7.1.1. Web analytics

For the sake of innovating customer segment block of its business model young technology startups should employ online analytics as part of their branding process (Wiggins, 2007; Loftus, 2012; Sleeper, Consolvo, & Staddon, 2014). According to Jackson (2009, p.21) online analytics should be understood as one of the primary and effective digital sources of information that helps to effectively measure different stages of online branding and accompanied marketing activities which in return helps to shape customer segments block of a business model more accurately. According to Wiggins (2007) with the help of online analytics business can test if branding delivers engaging experience to their audiences, evaluate the usability of its channel as well as optimize the content for a particular segment. Understanding what each customer segment found relevant, interesting and engaging is crucial as it helps to get insights on how to make existing channels more exciting to users, enforce brand experience which in turn increases in the long-run customer brand loyalty (Brakus, Schmitt & Zarantonello, 2009; Smith, 2013 ). As argued by Loftus (2012) web analytics can help young tech ventures to understand under performing areas of their channels which fail to meet customer expectations of a particular segment. In addition to that web analytics helps technology startups to provide a solid coverage of the phase in which business raise brand awareness among their customer segment and quantify brand-relevant measurements (Jackson, 2009, p.21). For example, Hoffman & Fodor (2010) argues that effectiveness of brand awareness, brand engagement, and word-of-mouth buzz could be successfully captured and measured with more than 50 metrics items. The advantages of online analytics in this case is that apart of subjective measures it offers variety of objective, standardized, and quantitative metrics which receive stronger importance in online environment (Seggie, Cavusgil, & Phelan, 2007) and are easier to report to senior management (Järvinen & Karjaluoto, 2015).
2.7.1.2. **Opinion-gathering tools**

While web and behavior tracking systems might help young tech startups to partly cover objective aspects of brand measurement system described before some brand-relevant items in perception and performant metrics requires companies to also address quantified subjective measures of their customers in order to enhance customer segments block of a business model. This aligns to an argumentation developed by Borowski (2015) who argues that businesses need to know how to measure feeling of their customers about offered product or experience served through the service. As Borowski (2015) states only in this case companies will understand their customer segment better and find new opportunities for the improvements. Burmann (2010) proposes that online feedback should be considered as a crucial part of innovating brand management behavior.

Management of consumer feedback can be split into two areas first of which primarily deals with a naturally occurring unprompted and non-sponsored user generated content and feedback, while a second one focuses on active stimulation of consumer contributions (Burmann, 2010). Burmann (2010) elaborates that brand-related consumer contributions and collaborations could be activated through different domains and forms of campaigns including contests, voting, surveying and fan contributions. In a proposed model, it is described as a sponsored user generated branding because brand management is a key node which stimulates brand related activities (Burmann, 2010). The sponsored UGD fits the scope of a customer segments block in a business model canvas. As a naturally occurring user generated content described in this model falls out of scope of a the same block in a business model canvas and active stimulated feedback is still relevant to it sponsored UGD will be further used as a stand-alone component being later referred to as an opinion-gathering tools.

2.8. **Customer relationships**

In the business model canvas paradigm customer relationship block represents the types of relationships that business seeks to formulate with selected customer segments (Osterwalder & Pigneur, 2010). From the customer relationships block it is possible to identify how an established type of relations between a company and its customers benefits the latter and their experience.
According to Osterwalder & Pigneur (2010) typology of relationships includes personal (dedicated) assistance, self-service, automated services, communities and co-creation (p. 28).

2.8.1. Developing customer relationships with online branding

It has been acknowledged that people are able to create bonds with different brands and companies, thus develop relationships with them and prioritize their purchasing decisions (Daskou & Hart, 2002; Rowley and Haynes, 2005). Relationships consumers create with brands are grounded to different characteristics that brands posses, as well as consumers’ perceptions and behavior towards those brands (Veloutsou, & Moutinho, 2009). For this reason companies are actively developing diverse customer relationships strategies (Rowley & Haynes, 2005).

According to Hennig-Thurau (et al., 2010) in a traditional media environment business had strong and active influence on customer relationships through their marketing actions at most composed of loyalty programs and public relation, with the help of which they formulated heavy-shaped brand messages and established positive brand coverage. As argued by Prahalad & Ramaswamy (2004) this is no wonder as brand management has been for a long-term exercised through a product and business centric approach in which consumers were seen as passive recipients of brand meanings. However, a new media paradigm has altered the existing marketing environment and digital transformation made business in witness a lot of challenges in maintaining their customer relations online while satisfying the expectation of their audiences across different digital channels (Hatch & Schultz, 2010) and generating needed brand meanings (Jevons, Gabbott, & de Chernatony, 2005). As also pointed by Deighton & Kornfeld (2009) brand managers and marketers are no more longer having the privilege of heavy control over their brands and instead had to participate in conversations around the brand creating brand building messages for their audiences with no absolute certainty in their efficiency. However, as put by Aaker and Joachimsthaler (2000) despite the changing landscape in a customer relationships aspect of branding an interactive and involving characteristics of the Internet makes it a strong branding tool which is able to utilize the opportunities of rich information while transmission and personalized mode in which it is transmitted.
The today's perception of a brand is largely based on customer relationships and is pretty much vulnerable to the publicly available feedback of customers. As put by Flory, Sauquet, Iglesias, & Bonet (2012) brand meaning is created through relationships between customers and brands, at the same time actively being affected by the attempts of brand managers to re-interpret those meanings (p.259). Kapferer (2012) also states that in the last years brand management has addressed the importance of building lasting relationships with customers focusing on a long-time perspective and post-purchasing activities. The Internet according to his thought has facilitated this relationship approach and made it more easy and efficient to serve important customer segments while at the same time creating emotional connections between consumers and the brand (p. 161-162).

2.8.1.1. Onboarding experience

As argued by Stuart-Menteth, Wilson & Baker (2006) product or service perceptions affect customer relationship quality for the modern consumers who can be characterized as active, knowledgeable, demanding and most importantly experience seeking. In this sense, the first way online branding can help tech startups innovate at their customer relationship is by providing a strong and sophisticated experience to the new potential customers on their website.

According to Voorveld, Neijens, & Smit (2011) modern business websites encompass a wide range of functions providing companies with a potential to utilize them as an interactive platforms to enhance relationship with potential and existing customers. However, there is a specific point that makes brand websites effective in doing so. According to Yoon, Choi, & Sohn (2008) interactivity is one of the primary aspects of web environment which can help to facilitate consumer relationships. Interactivity in web channels is able to generate positive feeling among consumers and contribute to positive perception of the company (Yoon et al., 2008, p. 607). Empirical studies have successfully shown that perceived interactivity of the website positively enhances the brand relationship quality and brand image and provide solid foundation for the relationship-building process in online environment (Voorveld, Van Noort, & Duijn, 2013; Yoon et al., 2008). According to Voorveld (et al., 2013) perceived interactivity is more important for relationship-building than relationship-maintenance. Moreover to that as found by Voorveld (et al.,
2011) there is a particular set of six website characteristics that positively influence perceived interactivity among customers and adding interactive functions does not always result in a stronger score on this item. The set includes such options as dedicated element which allows sharing of a website, a feedback form, the capability to register a product online, dropdown menus, the option to customize products, and the capability to customize information on the website. Interactivity might complement different stages through which users generally go when they stumble upon new digital product or services including registration and understanding of the basic structure and functionality (Renz, Staubitz, Pollack, & Meinel, 2014). For the latter this block would be referred to as onboarding experience where onboarding stands for “the sum of methods and elements helping a new user to become familiar with a digital product” (Renz et al., 2014, p. 1) in the very first interactions with it. As argued by Renz (et al., 2014) the first contact of a user with a website is fundamental to the user experience and on boarding process should provide an interactive experience users are looking for.

2.8.1.2. Personalization

According to Kwon and Kim (2012) personalization should be though as a strategic competitive tool which enchases product or service differentiations in the circumstances of tough competition. As shown by De Reuver & Haaker (2009) the value creating elements such as personalization as well as the need to generate trust among potential and existing customers are the top business model design issues in the services domain. Young technology startups should understand that modern tooling and digital environment provide them with an indispensable option to become highly personalized in new media surroundings and and become more transparent to generate more trust with clients, employees, and investors (Hall, 2012; Stoffberg, 2015; Dan, 2014). This aligns with founding described by De Reuver & Haaker (2009) who argue that personalization is highly influenced by technological aspect as there is a need for comprehensive integration of different systems in favor of achieving personalization (Kwon & Kim, 2012). Providing customers with additional value is one of the key intentions of personalization which positively affects business by enhances customer retention rates and increasing customer satisfaction and loyalty thus improving customer relationships (Kwon & Kim, 2012).
While definitions of personalization and accompanied strategic advices vary per different fields (Sunikka & Bragge, 2008) this study being primarily concerned with online branding follows a generic definition of personalization clearly outlined by Fan & Poole (2006). According to Fan & Poole (2006) who follow Blom (2000) personalization is a process which increase distinctiveness of a system and its personal relevance to an individual or category of individuals by altering its functionality, interface, information access, content (p.183). Fan & Poole (2006) define different ideal types of personalization including architectural, relational, instrumental and commercial, first three of which are relevant to online branding in their strategic aspect. Architectural type of personalization is strategically aligned to individualization and aims at building delightful web environment for end users. Relational type of personalization is strategically aimed at mediation and is aimed at creation of a common, convenient platform for social interaction. Strategic nature of instrumental personalization is utilization with a goal to increase efficiency and productivity of a system. Based on the accompanied goals and means for those types of personalization young technology ventures should be building immersive web experience which is at first takes in mind cognitive, affective, and social cultural aspects of users, while at the same time builds social interactions and interpersonal relationships with them through useful and user-friendly tools (Fan & Poole, 2006 p. 190-197). This study follows an approach distinction introduced by Kwon & Kim (2012) and takes into account only firm-initiated personalization aspects. Because of the initial scope of this study user initiated personalization (or customization) is excluded from this block.

2.8.1.3. Customer engagement

According to Cheung, Lee & Jin (2011) the relationship academic literature conceptualizes customer engagement in three different dimensions. The first conceptualization is grounded on a theoretical framework proposed by Bowden (2009) where customer engagement described as a psychological process that leads to the loyalty formation. In second dimension customer engagement is defined as a behavioral manifestations of the customer towards a brand which is out of the scope of purchase behavior (van Doorn et al., 2010). In a third dimension customer engagement is understood as a psychological state that is characterized by a degree of physical
(vigor), cognitive (absorption) and emotional (dedication) levels. Hollebeek (2011) builds upon those understanding and introduces customer brand engagement concepts which is defined as “the level of a customer’s cognitive, emotional and behavioral investment in specific brand interactions” (p. 565). Customer brand engagement, according to Brodie, Ilic, Juric, & Hollebeek (2013) enhances loyalty and satisfaction of the customers while at the same time empowers them by providing emotional bonding, connection, trust and commitment.

The rampant growth of social media platforms like Facebook, Twitter, YouTube as spotted by Cheung (et al., 2011) require new adaptation of conceptual models of customer (user) engagement. According to Hollebeek (2011) in the time of massive new media environment adoption brand engagement should be though as a strategic tool for innovating customer relationships and building engaging brand communities. The strong need behind engaging customer on social networks platforms was also discussed by Hollebeek, Glynn, & Brodie (2014) who argue that engaged customer would not only communicate with a brand itself and its community members, but will also introduce a brand to the outer world with the help of their networks, thus helping it to reach more audience and build new relationships.

It was acknowledged that enchanting customer engagement in new media environment can be done by delivering and providing access to online content, as well as facilitating communication on social media (De Valck, Van Bruggen, & Wierenga, 2009; Van Laer, De Ruyter & Cox, 2013). Lipiäinen & Karjaluoto (2015) outline that creation of relevant online content and publication of it on social media channel is a well suited online branding approach that helps acquire brand positioning. A content strategy has been seen as one of the solution paths to customer engagement online (Halvorson, & Rach, 2012). Halvorson, & Rach (2012) state that the main principle of an effective content strategy is to deliver additional value for the end user. As argumentation follows in order to aligns to those principles and engage users in a sophisticated way branded content should be relevant to a particular segment, as well as connected to the business goals and brand values. As pointed out by Halvorson, & Rach (2012) an intuitively organized unique professional branded content engages customers and provides him with additional value thus enhances customer retention. According to Erdoğan, & Cicek (2012) offering popular content to the customer does also increase the brand loyalty as well. By
frequently inspiring their customers brands enhance their customer relationship because they prolong the time spent with them and acquire new brand advocates, especially on social media (Tsimonis & Dimitriadis, 2014). Lately Zheng, Cheung, Lee, & Liang (2015) acknowledge that customer (user) engagement is a crucial factor that influences “brand loyalty both directly and indirectly through online brand communities” (p.101), while perceived benefits are found to be key triggering points for the engagement. So, as suggested by Zheng (et al., 2015) brands have to provide additional benefits to people who engage with them online.

2.8.1.4. Customer service

Customer support or customer services seem to be an alarmingly overlooked aspect of customer relationships in an academic literature (Subramaniam, 2009). However a batch of more practical oriented resources suggest that customer service area is not less important for brand building process and is much looked for by modern consumers (Subramaniam, 2009; Moore, 2015; Solomon, 2015; Uboweja, 2015); Poulos (2015) notes that apart from the use of the service or product itself most memorable brand experience comes from post-purchase customer service aspects such as solving technical issues or managing a return. According to Subramaniam (2009) customer support is a crucial part of a brand which enables retention of customers, helps to differentiate the business and increase brand loyalty. Uboweja (2015) states branding requires holistic approach in which customer journey is evaluated and being addressed from the very early point of a potential buyer’s considerations emergence to a timestamps when those buyers run into problems with the service or a product and require help. Uboweja (2015) notices that a lot of modern customer service functions are way to transactional and do not fit a customer-centric business model approach. Same kind of aspect is spotted by Subramaniam (2009) who argues that strong brands that are focusing on solid customer relationship have to prioritize a human-assisted customer service over self-service and design their support services in a way that human-touch aspects is highlighted without a distinction in which environment it takes place. The CEO of Zappos, one of the largest online shoe stores which has been utilizing customer service as their competitive tool (Durst, 2007) admitted that the company evaluates each interaction between
business and customer through a branding lens and tries to build a lifelong relationship with customers even if it counters the maximization of each and every transaction (Hsieh, 2011).

2.9. Channels

According to business model canvas companies reach and interact with their customers segments and deliver their value proposition to them through different channels (Osterwalder, & Pigneur, 2010). Osterwalder and Pigneur outline different types of channels including communication, distribution and sales channels each of which serves different functions ranging from introducing potential customers to a brand and its value proposition to allowing customers make actual purchases and providing customer support (p. 26-27). Channels can also be further classified into own (controlled) and partner (rented) channels. Own channel can be either direct or indirect in their nature. Own and rented channels tend to have different margins and vary in costs and complexity of operation. For this reason crafting sophisticated customer experience while making revenue as large as possible requires companies to find a right balance in integration of different channels.

Channels are important part of a business model for young tech startups as the selection of channels will define how companies will reach their customers. Osterwalder and Pigneur outline five distinctive phases which are associated with channels including phases for raising awareness of the company, helping customers to evaluate value proposition, allowing customers to purchase products and services, delivering value proposition and providing post-purchase support. Those phases subsequently can be directly connected to online branding practices as startups will raise their brand awareness, present them with their brand’ value proposition, let audiences engage with a brand as well as deliver digital support experience.

2.9.1. Optimizing channels with online branding

According to Quinton (2013) the adoption of digital media among consumers has results in a shift of practices and perspectives of interaction between consumers and brand, thus requires rethinking of existing brand management perspectives. As discussed by Rowley (2004) digital environment
reduces the physical interaction between business/products and their customers negatively affecting the process of product quality assessments and for this reason raises the importance of online branding. As Rowley writes later, companies situated in those circumstances have to re-evaluate their existing channel strategies in order to understand the ways those can be adapted to a customer centric perspective in which each marketing or service channel delivers relevant value to the customer. Internet according to Rowley (2009) should be understood as complex channel through which innovation can be exercised in a diverse simultaneous manner.

2.9.1.1. Social media

First way in which young technology startups can innovate their partner channels with online branding is by building its brand presence on social media. According to business model canvas social media channel acts as a rented channel and in this sense, as put by Osterwalder and Pigneur (2010) leads to lower margins, but brings additional strengths benefit the channel has. The very obvious benefit of social media channel is its immersive growth which uncovers potential for brand expansion within an already established audiences of social media platforms. The total amount of social network users will grow from 0.97 billion to 2.44 billion users in 2018 with a predicted increase around 300% in a timespan of 8 years (Statista, 2015). According to Stelzner (2015) building presence on social media can help young tech business to increase the exposure of their brand and generate more traffic to their other channels. In addition as acknowledged by Coulter, Bruhn, Schoenmueller, & Schfer (2012) by bringing brand on social media firms impact on their brand image through self-activated social media communication. Tiago, & Veríssimo (2014) also indicate that adoption of social media benefits business with increased brand engagement and stronger relationships with customers, while at the same time unlocks the potential to improve decision-making and feedback gathering process. Habibi, Laroche, & Richard (2014) even claim that networking aspect of social media creates an ideal environment for brand community building process. Zheng (et al., 2015) outline that top leading brands innovate their channels by building their presence on social media and ensuring those spaces act as a “harmonious online environment where their members can freely interact and chat with other members in these online social spaces” (p. 101).
The selection of social media platforms by young technology ventures should be grounded to the interest, demographics and activities of their customer segments (Weinberg & Pehlivan, 2011) as well as aligned to the business goals (Kietzmann, Hermkens, McCarthy, & Silvestre, 2011). According to Weinberg & Pehlivan, (2011) the possible diversity in types of content and information depth that can be found on social media defines future interactions or conversations that will take place there. As pointed out by Erdoğanuş & Cicek (2012) if brands are present on various platforms is does positively influence brand customer loyalty.

2.9.1.2. Website

Apart from innovating in the area of rented channels early stage tech startups can innovate their own channels by establishing consistent experience on their websites for different audiences addressed through technical dimension. In the discussion of a customer relationship component of a business model it has been already noted that business websites cover a wide range of functions and act as a power cultivating tool for customer relationship branding (Voorveld et al., 2009; Zaglia, 2013). Brand websites providing different levels of interactivity are capable of increasing the innovative potential for co-creation between customer and brands (Youn et al., 2008; Yoon & Youn, 2016; Alden et al., 2016). Moreover to that according to Nylén, & Holmstrom (2015) user experience design of the website acts as a competitive force and a central brand differentiator, which is according to Brokaw (2012) majorly overlooked by the vast majority of website owners. However, innovation in the area of a website as a channel might require startups a more technical approach to it. According to Stuart-Menteth (et al., 2006) consistency between different channels is crucial to brand thus modern brands websites being viewed from the perspective of channels components should be able to address this notion. The issue with maintaining a website consistency is becoming crucial as of rampant spread of mobile devices globally in the past decades. The recent data found on “Consumer Barometer with Google” website which reports on the findings from different surveys such as “The Connected Consumer Survey 2014 / 2015”, “The Consumer Barometer Survey 2014 / 2015” indicates people use smartphones to connect to the Internet at least as often as they do with desktop computers (Consumer Barometer, 2016a). More importantly, Internet users who use a smartphone smartphones use it for researching and
purchasing new products, while almost half of the people who act as brand advocates use a smartphone during their purchase process (Consumer Barometer, 2016b). In this sense website channel should be adapted to the facing changes of a multiscreen environment and according to curated insights from Google and Consumer Barometer businesses have to ensure that their site is optimized for various devices. Apart from that the loading speed of the websites is one of the characteristic which is highly valued by users (Al-Qeisi et al., 2014) and can be innovated by startups through technical dimension of a channel (Aladwani, 2006).

2.9.1.3. Search engines

According to Song (et al., 2010) one of the primary assets and indicators of the success of a digital IT product is its traffic. An important channel at which technology startups can innovate is domain of search engines. According to recommendations by Baye, De los Santos, & Wildebeest (2014) search engine optimization strategy should be directly connected to online branding strategy as brand name searches conveniently tied to branding efforts company executes. More specifically Baye (et al., 2014) acknowledge that brand awareness is directly connected to online channels and traffic acquisition, with higher awareness positively increasing organic search clicks through both a direct and an indirect effect. As it was discussed before, the name of the brand is a part of brand identity which acts as a value proposition for technology startups. The length of a brand name can later directly affect search engine results, as according to (2009) the length of the keyword is associated with a decrease in click-through rates. This is also aligned with more recent findings by Baye, De los Santos & Wildenbees (2016) about the importance of a name prominence and its screen position in search engine channel optimizations practices. In addition to that brand can innovate their channels by engaging in search engine marketing activities. According to Rutz & Bucklin (2008) some customers prefer to start their product research with a generic search with a possibility of a later switch to a branded search in order to complete their transaction. In a branding perspective paid or sponsored search advertisements might not even lead users to direct conversions within their current session, but act as a repetitive brand exposure tool which enchases brand name recognition and brand preference (Ghose & Yang, 2009).
2.9.1.4. Email

According to Keller (2009) the building of a strong brand and accomplishment of the strategic positioning requires subsequent marketing communication activities to be integrated across different channels. Integrated marketing communications have been acknowledged to serve an important role in creating customer-based brand equity (Madhavaram, Badrinarayanan, & McDonald, 2005; Delgado-Ballester, Navarro, & Sicilia, 2012; Šerić, Gil-Saura, & Ruiz-Molina, 2014). As found by Merisavo & Raulas (2004) email channel should be not foreseen by the companies as it can be used to build brands. Merisavo & Raulas found that customers are able to value non-personalized email newsletter from business, which in case sent properly is capable of increasing brand loyalty and generating additional brand exposure. According to Simmons (2007) even though email channel is notoriously associated by some business with spamming practices it still allows companies to build new brand relationships, deepen an already existing ones and drive traffic to brand web sites (if being used as integrated marketing communication channel). According to Simmons, Thomas & Truong (2010) innovation of the email channel with online branding requires development of a personalized e-mail marketing communications strategy the focus of which would be aimed at creating personalized brand encounters and strengthening brand relationships with loyal customers.

2.10. Conceptual framework overview

Previously outlined themes in the theoretical framework result in a conceptual framework for the research presented in Figure 1. Early-stage technology startups operate in a disruptive global industry struggling to achieve competitive advantage purely on their technological basis. For this reason startups have to discover innovative ways to acquire strategic position in the digital environment. Brand building in new media environment allows those companies to establish immutable differentiation and start innovating their business models from a customer-centric perspective thus create additional value and increase their competitiveness. The set of business model elements examined through this research includes: Value Propositions, Customer Segments, Customer Relationships and Channels.
Figure 1. Conceptual framework

**Early stage tech startups**
- Global competition
- Lack of finance and resources
- Overestimation of technology
- Hard to compete on technological uniqueness

**Brand for strategic positioning**
- Differentiation
- Added value
- Competitive advantage
- Customer orientation

**Branding Business Model**

**Value proposition**
- Brand identity
- Brand extensions

**Customer segments**
- Web analytics
- Opinion-gathering tools

**Customer relationships**
- Onboarding experience
- Personalization
- Customer engagement
- Customer service

**Channels**
- Social media
- Website
- Search engines
- E-mail
3. Methodology

3.1. Qualitative approach

In order to answer the research question this project employs qualitative approach. As the present research investigates different parts of business models of startups it means that researcher will have to access the realities and contexts in which startups operate and how they execute their actions. Investigating how startups deliver value through new media subsequently involves the need for understanding of how particular decisions are made in those business and what are the reasons behind those decisions or choices (Eckhardt, 2013). Qualitative approach is a suitable method for the social sciences and business research and it is able to provide articulate insight on the experience of startups, their organizational realities and decision-making process (Easterby-Smith, Thorpe & Jackson, 2012; Creswell, 2013). Thus qualitative approach will help to reveal a clearer picture of business realities. Qualitative approach is applicable in this case as well as current project does not imply the need for fixed hypothesis testing but rather aims to generate new insights on the topic. In this sense, it is an effective method for in-depth explanation of a phenomenon and theory generation. In contrast, quantitative approach for this project would only be able to reveal the surfaces of a researchable domain. Moreover, quantitative approach, even though having its own strengths, could hardly be applied in the case of present research, as researchable parts of the business model are not quantifiable for deep investigation.

3.2. Research design

This project makes use of comparative case study research design - a widely adopted research design in the field of business and social science (Yin, 2015). The case studies method is useful in order to study a phenomenon in the real world context and retain the holistic and meaningful characteristics of real-life events, including managerial processes which successfully complement the previously outlined qualitative approach and research needs (Yin, 2009). The method of case study can involve an investigation of a single or multiple cases. While a single case study is better suited for a research in which a particular case is unique or represents an unusual circumstances, a multiple case studies approach is more recommended for situations, when generalizations aims to
cover other cases as well (Yin, 2009). As it is already known from the theoretical framework, that conditions in which early stage technology startups find themselves can be pretty common, multiple case study design would suit best as it will enable the investigation of the field rather than the story of one company. Multiple case studies are less vulnerable than studies based on a single case, as the bigger number of cases improve analytical conclusions and potentials for generalizations (Yin, 2009). According to Eisenhardt (1989) multiple cases studies are powerful means to test and create theory, because the findings can be derived from each different case and complementary aspects of researchable phenomenon become way more evident through the comparison of those cases. Following Eisenhardt (1989) there is no general rule on how to select the proper amount of case studies to be included in the research project, but it is said that the number between 4 and 10 case usually works best. The selection of less than 4 cases makes harder for researchers to generate theoretical implications, while at the same time it does not provide enough empirical evidences to ground the conclusions. The selection of more than 10 cases makes a research project over complicated in terms of execution and more specifically poses a problem with a high volume of collected data. With this advice in mind it is possible to state that the selected number of 10 cases should provide a working balance for this research project.

In order to address cases in a comprehensive manner, gather rich information as well as eliminate the possibility of source bias a multitude of sources should be analyzed (Yin, 2009). This also becomes evident as a primary research question includes a variety of different variables found under business model categories of value propositions, customer segments, channels and customer relationships. Each of those categories for each of the cases can be researched using document analysis from different sources (Yin, 2009). The basis for the research is formulated with the use of a conceptual model from the previous theoretical part. The thematic categorization introduced helps the researcher to ground cases studies to research sub questions and investigate needed parts of a business model. The data for case studies comes from observations and metrics from corporate web sites of startups, their official social media profiles, customer support channels as well relevant digital documents including online marketing materials such as email newsletters and online publications further elaborated on in operationalization section.
3.3. Data analysis

In order to analyze obtained data a thematic analysis will be employed. The aim of thematic analysis is to recognize the patterns within the collected data and formulate a themes based on those patterns (Fereday & Muir-Cochrane, 2008). Emerging themes provide the description of a phenomenon and act as a category for future analysis. In this sense, the result from case studies would have to be thematically compared to each other according to the previously outlined components of a business model canvas.

3.4. Case selection

According to Eisenhardt (1989) it is important to select those cases for the research which will not only correspond to the research question, but will also provide enough information to study it comprehensively. For this reason a general case selection criteria has been developed for this study based on the following rules.

- **Case has to be relatively young and show economic prosperity**

A certain period of operational experience is required in order to call a startup young, but at the same time it does not have to exceed a particular mark in order not to be taken as a mature company. For this study selected start-ups have to have a period of operational experience ranging between one to a maximum of four years. Companies which have been running for less than one year are usually referred to as a seed stage companies, meaning that they are only in the very initial phase of an idea formulation process (Cohen & Hochberg, 2014). At the same time, major institution that support start-ups usually do not orient for a timeframe that exceeds a five years (incubators) and more often look for a shorter two-year (hybrid institutions) or less-than a year distances (accelerators - in case there is already a working product) (Hathaway, 2016). For this reasons the selected values of operational timespan will allow researcher to pick those cases in which companies had already passed their seed stage, might have reached their early stage funding (usually referred as series “A” or “B” funding), are able to spend some additional resources on online branding, while at the same time had enough time to prove that they are more likely to
become more entrenched on the market in the future with their economic growth (Cohen & Hochberg, 2014; Wilhelm, 2014;).

- **Cases have to receive recognition**

An additional case selection criteria rule has been developed in order to justify the value of the cases and their ability to reflect strong business practices including online branding. As it might be challenging to evaluate branding practices and their effectiveness from the outset the primary indicative criteria for this part are grounded on a desk research regarding industry acknowledgment and recognition of the cases. Positive peer recognition, credible media coverage or any awards won can prove the quality, importance and effectiveness of a case thus its branding efforts and in turn lead to the selection of the cases.

- **Cases have to operate in United States or Europe and have to ground their business majorly on technological basis**

As technology startups tend to increasingly aim at international presence and sometimes even operate in a global mode it is extremely hard to study them as a unite group and bring into one sample based on a geographical location. Because primary research question is focused on startups that come from United States and Europe there should be a set of indicative enough cases to make any further generalizations about them. For this reason selected cases were taken from the United Stated and different European countries with developed and similar startup environments and feasible economic contribution of the latter (Herrmann et al., 2015). An additional problem might be vague definition of a tech startups (Kerstetter, 2015). However, as B2C organization within media, telecoms and technology industries tend to be one of the disrupted industries in digital economy (Grossman, 2016), cases selected for this study have to either come directly from media or ICT industry or provide services which largely rely on the use of web and mobile platforms. This also aligns the definition of a tech startups provided earlier (Tech Nation, 2016). In essence, it is not required for selected cases to directly sell the digital technology product, but only develop the software and ground their business around it.
Case 1: Quiver
Quiver is a young Dutch startup based in Amsterdam which provides its customers with a sharing storage for digital documents. As Quiver primary handles the storage of digital content for end-users and its security startups has been placed in a “cloud management/security” category. Even though the company is very young (established June 1, 2013) and has received only seed funding Quiver already got positive coverage from TheNextWeb portal (Elworthy, 2014) and received its place in the Wired magazine on the list of best European startups (Armstrong, 2015). Business Insider has called Quiver a world changing startup (Bort, 2016). Dell awarded the startup and called it one of the most innovative companies (Saberi, 2015). Moreover, Quiver has also won a title “site of the day” granted by digital work recognition institution named Awwwards (Awwwards, 2016). The company nicely meets selection criteria because the startup is young and its primary product is a fully digital service offered directly to individual customers. The acknowledgment of innovativeness of a startup from the industry enchases the credibility of the case.

Case 2: Tiqets
Tiqets is a young startup from the Netherlands which allows individual travelers and travel business to book tickets to different types of attractions, such as museums and tours. Tiqets was founded in 2013 and because the primary focus of business is a ticketing platform for the attractions it has been put into “entertainment / ticketing” category. Tiqets has already successfully bypassed two rounds of seed funding and recently reached its series A funding stage (Crunchbase.com, n.d. -a). Tech5 honored Tiqets as the fastest growing Dutch startup with potential to be best in Europe (van Gool, 2016). The primary product of the company is a digital service platform available for individuals. The company is in its early stage of development but has already received acknowledgment and showcased to be trusted by investors. For those reasons startup nicely meets selection criteria and was included in the list.

Case 3: YPlan
Yplan is an event discovery startup from United Kingdom. YPlan maintains a platform that allows users to find and book events on different occasions in their city. This startup is the oldest one from the selected cases as it has been running since 2012. As current it has successfully received $24M in series B funding indicating that it is almost ready to hit the maturity edge (Crunchbase.com, n.d. -b). In 2013 YPlan outcompeted vast amount of startups to receive a top prize in Startup Awards 2013 (Dunsby, 2013) and by 2015 has already been recognized as the fastest growing startup in the UK by Tech5 (Connolly, 2015). YPlan being a European technology company with an acknowledged reputation satisfies the case selection requirements. Even though it can be argued that the company with its 4 years of operational experience is on the edge of exiting early-stage phase it’s case is still relevant for the research as it has proven to be able to sustain its brand development and can be analyzed to derive best practices.

Case 4: Wallapop

Wallapop started in 2013 in Barcelona as a startup which provided users a mobile marketplace platform for buying and selling secondhand goods. For this reason startup has been placed under “marketplace / delivery” category. The company has shown quick growth and claims to have more than five million monthly active users in different countries (Clark, 2015) and has already made its first acquisition (Novoa, 2015). It has successfully reached series A funding and received a spot in the list of best European startups in Wired magazine (Clark, 2015). The company being a prominent innovate european startup fully satisfies the requirements of the case selection.

Case 5: Frame.io

Frame.io is the youngest selected startup from United stated as it only started in 2015. Frame.io focuses on maintaining a collaboration platform primary oriented on the use with video and other heavy media files. For this reason startup has been placed under “Web Tools / Collaboration” category. Frame.io has received only one, but solid amount of investments through the round of seed funding (Crook, 2016). Frame.io was positively reviewed by influential tech media source TechCrunch (Hamze, 2016) and fully satisfies case selection criteria.
Case 6: GitLab
GitLab is a Dutch startup launched in 2014 in order to bring new options of an open source software and collaboration platforms and compete with the current dominance in this area held by very notable startups named GitHub (Somerville, 2015). GitLab has shown economic potential and already went through series A funding (Crunchbase.com, n.d. -c). GitLab being very tech oriented startup is particularly interesting and relevant case for the research as it has to compete with its very strong established rivals with something that goes out technical scope.

Case 7: Happn
Happn is a French social media platform startup that brings users a location-based mobile dating application. Started in 2014 Happn showed quick growth over a short timespan and present claims to have 10 million active users (Roof, 2016). In essence Happn is a social media app and for this reason it has been put under “Social Media Platform / App” category. Happn has recently reached “series B” round of funding through which it received extensive $14M investment (Crunchbase.com, n.d. -d). Moreover, Happn was featured in Wired list of best European startups (Medeiros, 2015) and for all those reasons was included in the list.

Case 8: Yik Yak
Yik Yak originated in the United States in 2013 as a startup building location-based social network through which people build and engage in local communities. Known as anonymous gossip and cyberbullying app (McAlone, 2015) this can be categorized under “social media platform / App” label. It has received major capital influx receiving $62M in its series B funding round (Crunchbase.com, n.d. -e). Yik Yak has been proven to sustain its brand development and popularity among young people (Bilton, 2016) and for those reasons was selected in the case list.

Case 9: Acast
Acast is a Swedish startup launched in 2013 with the primary aim to bring users podcasting app and web service for on-demand audio content which can be placed under “Music / Media Management” category. Acast has successfully bypassed seed funding stage and got through two
more additional rounds of venture funding which indicates its economic potential (Crunchbase.com, n.d. -f). Acast can be called one of the Europe’s fastest-growing tech companies as it has won a local Tech5 competition in Sweden (de Laive, 2016) as well as appeared in the best European startups list created by Wired magazine (Venkataramanan, 2016). For all those reason startup was included in the lists of cases.

**Case 10: Jukedeck**

Jukedeck is a recent startup from the United Kingdom working on artificially intelligent music composer which will facilitate music creation process for personal or commercial use. Jukedeck has successfully went through two stages of funding (Crunchbase.com, n.d. -g) and has been placed under the “Music / Media Management” category. Jukedeck has won Tech Crunch Startup Battlefield Competition (Dillet, 2015) and has been featured on a Wired hottest startup list of 2015 (Franklin-wallis, 2015).

An overview of the selected cases is presented in the Table 1.

**Table 1: Cases overview**

<table>
<thead>
<tr>
<th>Case</th>
<th>Name</th>
<th>Category</th>
<th>Country</th>
<th>Founded</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Quiver</td>
<td>Cloud management / Security</td>
<td>Netherlands</td>
<td>2013</td>
</tr>
<tr>
<td>2</td>
<td>Tiqets</td>
<td>Entertainment / Ticketing</td>
<td>Netherlands</td>
<td>2014</td>
</tr>
<tr>
<td>3</td>
<td>YPlan</td>
<td>Entertainment / Ticketing</td>
<td>UK</td>
<td>2012</td>
</tr>
<tr>
<td>4</td>
<td>Wallapop</td>
<td>Marketplace</td>
<td>Spain</td>
<td>2013</td>
</tr>
<tr>
<td>5</td>
<td>Frame.io</td>
<td>WebTools / Collaboration</td>
<td>US</td>
<td>2014</td>
</tr>
<tr>
<td>6</td>
<td>GitLab</td>
<td>WebTools / Collaboration</td>
<td>Netherlands</td>
<td>2014</td>
</tr>
<tr>
<td>7</td>
<td>Happn</td>
<td>Social Media Platform / App</td>
<td>France</td>
<td>2014</td>
</tr>
<tr>
<td>8</td>
<td>Yik Yak</td>
<td>Social Media Platform / App</td>
<td>US</td>
<td>2013</td>
</tr>
<tr>
<td>9</td>
<td>Acast</td>
<td>Music / Media Management</td>
<td>Sweden</td>
<td>2013</td>
</tr>
<tr>
<td>10</td>
<td>Jukedeck</td>
<td>Music / Media Management</td>
<td>UK</td>
<td>2014</td>
</tr>
</tbody>
</table>
3.5. Data collection and operationalization

According to the structure of the theoretical framework, each case would be analyzed per each previously outlined business model component. In order to preserve the coherence and maintain the unity in the analysis process a research template has been created allowing a researcher to get rich fun information per case which will be inter comparable.

3.5.1. Value proposition

3.5.1.1. Brand identity

For the conveniences of the analysis a brand identity block was divided into smaller elements according to the theoretical suggestions from the previous chapter. In this sense, the analysis of a brand identity for tech startups follows the structure described by Wheeler (2004) and includes such elements as company’s official name, tagline (s), brandmark (s), color (s), typography choices and brand guidelines.

Name

A well-chosen and unique name for a company, product, or service is a valuable asset (Wheeler, 2004, p. 40). Whether a company is a multinational corporation or a sole proprietorship a name directly affects brand perception and ultimately its success. Naming requires creative, disciplined and strategic approach. The typology for naming introduced by Wheeler (2004) includes this types: named after founder, descriptive approach, fabricated approach, metaphorical naming, acronym. The name of the company is analyzed and categories through this perspective.

Tagline

Well-known brands have established taglines which are short phrases that are meant to capture and portray a company’s brand essence, its positioning and personality (Wheeler, 2004, p. 42). Taglines act as a cumulative point of positioning strategy and are employed in marketing materials to evoke emotional responses among consumers. Familiarity with a tagline does also influence consumer behavior. The possible types of this item are: imperative, descriptive, superlative, provocative. Analysis step of a tagline element involves identification of a constantly
re-usable phrases which act as a brand tagline on the official website of the company, its social media profiles, search engine results and email marketing materials.

*Brandmark system*

Brandmark acts as a visual identifier of the company and can be designed with different approaches (Wheeler, 2005, p. 44). Some brandmarks are designed with conceptual simplicity in mind while others are made complex on purpose. Brandmarks can be word-driven and refer to literal meanings while others would incorporate symbolism and image centricity. Being said that the brandmarks (if there are any) of the selected digital startups are analyzed and classified according to the typology which includes this possible options: a wordmark, a lettermark, a pictorial brandmark, an abstract brandmark. Brandmarks are searched for and compared across such channels as the official website of a startups, its corporate social media profiles and official email marketing materials.

*Colors*

The signature colors are integral part of any successful brand identity as they are able to express personality of the brand and evoke brand associations. Official brand color palettes are developed in order to be used in and support any part of official communications as well as facilitate brand recognition (Wheeler, 2005, p. 85). During the analysis, the researcher will check for a presence of a re-usable brand color scheme across online resource and communication materials that startup produces on its website, email newsletter and social media.

*Typography*

Typography is directly relevant to brand identity as it plays a crucial role in visual perception of customers and defines the tone and attitude of emotions in communication (Koch, 2012). Typography widely spans across identity area and might be present not only in textual content but also brandmark themselves. Brandmark typography is the most important written information of packaging. As argued by Wang & Chou (2011) typography used for brand, manufacturer name or a product itself can express commodity features and even define the market segment. Fonts and lettering have been acknowledged to be a comprising part of a brand’s visual equity (Lightfoot & Gerstman, 1998) which contributes to brand awareness and brand image
(Keller, 1998) and in results sales (Doyle, & Bottomley, 2004). Thangaraj (2004) highlights that some well-renowned designers pointed out that typography cannot be quantified and the area lacks substantial scientific assessment because of potential research complexity. For those reasons and in order to avoid unneeded complexity this research preforms the examination of a typography element of a brand’s identity by separating the use between commercial (low accessibility, higher distinctiveness) and freeware fonts (high accessibility, low distinctiveness) by a brand. The typography of startups would be assessed on their official website with the help of google chrome extension tool for fonts identification (WhatFont, 2016)

Brand Guidelines

In order to preserve the distortion of a brand image startups should put an effort into creating comprehensive brand guidelines. As put by Kapferer (2012) “specific guidelines … ensure that there is indeed only one brand forming a solid and coherent entity” (p.172) and can “define the norms for visual recognition of the brand, ie the brand’s colors, graphic design and type of print” (p.173). Analysis step of this element implies identification of the brand guidelines presence on the official website of the startup.

3.5.1.2. Brand extensions

For a brand extension element startups might employ different strategies ranging from umbrella architecture to product brand architecture and others (Kapferer, 2012). As the selection of those strategies in most of the cases largely depends on the financial and operational history of a startup (such as its business origin, previous mergers or acquisitions) this particular research will be investigating the block from the perspective of endorsing architecture strategy. Endorsing architecture strategy does not require usage of the same names between the brands or their functional interdependency (Kapferer, 2012) and most commonly is expressed in a graphic manner by embedding the endorser to the brand name or brand mark (p. 363). This strategy is one of the less expensive ones which help companies to achieve minimal brand status and particularly easy to execute in a digital environment. From this perspective, the official websites of tech startups would be examined for the presence of external brand names or embedded graphical elements.
3.5.2. Customer segments

3.5.2.1. Web analytics

For this part, a researcher would check if a startup is using web analytics or any metrics solution on its own digital channels such as website or blog. As the inclusions of web analytics follows standard universal pattern of embedding JavaScript library on a webpage the use of those libraries might be identified through modern browsers by investigating the source code of a target web page (Google, n.d. -a). External vendor libraries (not self-developed) which are associated with web analytics services found on tested homepage of startups would count for the use. Apart from that, a further distinction would be made from web analytics and behavior tracking systems following theoretical discussions about providing different kind of information for startups about their users.

3.5.2.2. Opinion-gathering tools

As discussed in theory user input and feedback incorporation are crucial for young ventures. The analysis on this stage would be focused on figuring out if a startup explicitly gathers opinions on its official websites with the help of forms, polls and surveys and feedback forms. In addition to that, following theoretical framework social media profiles and feeds of startups would be analyzed for the use of brand-related consumer contributions and collaborations (including polling, voting, surveying). Official social media feeds of startups would be searched with the use on internal searching tool for the set of keywords including “poll”, “survey”, “opinion” and interrogation point symbol to identify relevant posts.

3.5.3. Customer relationships

3.5.3.1. Onboarding experience

Theoretical proposition discussed in the previous chapter stressed the importance of interactivity in providing customers with solid online experience they are looking for. In this sense the
onboarding experience block element will be examined by focusing on websites of startups and identification of their basic structure and functionality, as well as ways digital products are presented to users. The key components looked for on the web homepage by the researcher at this stage are interactive presentations of startups’ value proposition, product demos and clear call-to-action elements.

3.5.3.2. Personalization

The following element would be investigated through the perspective of a previously outlined theoretical personalization types such as architectural, relational and instrumental one. Architectural, type of personalization is analyzed by checking internationalization and localization on controlled digital channels (websites, newsletter) of startups or products and services they offer. Relational type of personalization is assessed through investigation of rented channels of startups including their social media profiles on the subject of brands’ direct communication to the customers (commenting, replying etc). Instrumental personalizations is evaluated from a technological aspect by checking controlled digital channels (websites, newsletter) on the subject of automation systems use.

3.5.3.3. Customer engagement

Throughout theoretical part an importance of branded content has been highlighted for the sake of innovating user engagement and keeping customer retained. For this reason the user engagement element will be assessed by analyzing startups controlled channels such as official website for the subject of producing and publishing unique branded content (blogging) and having specific content themes. The same investigation would be applied for rented social media channels. Because tangible rewards have been proven to be an important factor which can keep users engaged social media profiles of startups would be analyzed for the subject of making use of it. In order to identify relevant social media posts feeds of startups would be searched with the use on internal searching tool for the set of keywords including “contest”, “prize”, “giveaway”, “win”, “get”, “receive” and “chance”.
3.5.3.4. Customer service

The analysis of a customer service element will be executed by investigating official websites of startups to identify elements which are relevant to the block including online contacts listed for inquires, contact and feedback forms, online customer support options and educational (guiding) resources. As stated in theoretical chapter startups should prefer human-assisted customer service over self-service so particular attention would be devoted to investigate characteristics of support options including its responsiveness (real-time or not).

3.5.4. Channels

3.5.4.1. Social media

The social media block will be analyzed on the subject of a brand’s presence on social media networks. A Similar Web platform (Similarweb.com, n.d) will also be used in order to retrieve an information about the performance of social media networks used by startups in regards to the amount of traffic on those networks generate to the official websites of the companies.

3.5.4.2. Website

Following theoretical propositions official websites of startups would be checked for the proper adaptation to the multiscreen environment with the help of two online tools that were developed by Google to test and rate how well sites are adapted for mobile devices (Google, n.d. - b; Google, n.d., -c). As a loading speed was acknowledged to be one of the highly valued characteristic of a website a Pingdom Website Speed Test tool (Pingdom, n.d.) would be used to get values and rates on this item for homepage per each startup. All the test would be performed with the server settings set to “Stockholm, Sweden” except for the us-based startup cases for which the value would be set to “Dallas, Texas, USA”. A Similar Web platform (Similarweb.com, n.d) will be used in order to retrieve additional information about the monthly traffic of websites, as well metrics mentioned in theoretical parts, such as visitors bounce rates, page views, sessions length.
3.5.4.3. Search engines

Theoretical part acknowledged the interlinkage of brand awareness to organic searches containing brand name as well as potential of search engine marketing to influence brand recognition. For this reason in order to evaluate a search engine metrics of startup’s websites and accompanied top leading search keywords would be checked with the helps of Similar Web platform (Similarweb.com, n.d).

3.5.4.4. Email

In an online branding perspective startups should use email channel for delivering newsletters for their customers and sending personalized materials which will provide them with additional value and generate traffic to main websites of brands. Email channel element in this sense will be evaluated by investigating startups for the subject of using email newsletters and transactional messages. Newsletter testing will be done by manually subscribing to email newsletters (in case this option is available on the official website), while transactional messages would be tested by registering for the service or product when it is possible. Similar Web platform (Similarweb.com, n.d) will be used in order to retrieve information about email channels of startups in regards of their capability to send traffic to the official websites of the company.

Data collected for all ten case templates come from variety of sources and include different types of websites and documents. Accompanied objects, screenshot and test results that were collected and analyzed per each case can be found in Appendix A and Appendix B. For total overview per case please refer to Appendix A and Appendix B accordingly. Table 2 provides an overview of the corresponding sections in Appendices representing the sources used for each case.
Table 2: Case sources overview

<table>
<thead>
<tr>
<th>Case</th>
<th>Name</th>
<th>Analyzed data and sources</th>
</tr>
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<tbody>
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<td>Quiver</td>
<td>Appendix A - Table A1; Appendix B - Table B1;</td>
</tr>
<tr>
<td>2</td>
<td>Tiqets</td>
<td>Appendix A - Table A2; Appendix B - Table B2;</td>
</tr>
<tr>
<td>3</td>
<td>YPlan</td>
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<td>Wallapop</td>
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<td>6</td>
<td>GitLab</td>
<td>Appendix A - Table A6; Appendix B - Table B6;</td>
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<tr>
<td>7</td>
<td>Happn</td>
<td>Appendix A - Table A7; Appendix B - Table B7;</td>
</tr>
<tr>
<td>8</td>
<td>Yik Yak</td>
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<tr>
<td>9</td>
<td>Acast</td>
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</tr>
<tr>
<td>10</td>
<td>Jukedeck</td>
<td>Appendix A - Table A10; Appendix B - Table B10;</td>
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4. Results

This sections present the results for thematic analysis of ten case study templates. Completed case templates and accompanied data collected through observations and document analysis for each case can be found in Appendix A and Appendix B. The following section is structured according to the research template and discusses four main themes including value proposition, customer segments, customer relationships and channel.

4.1. Value proposition

4.1.1. Brand identity

The initial part of the analysis of the value proposition block was focused on the brand identity of the startups. As it was discussed in the theoretical part an established coherent brand identity can influence the perception of the brand and express the positioning strategy of the business, correct brand personality and brand associations (Wheeler, 2004, p.40), enable companies to evoke emotional responses among their consumers (Iglesias & Schultz, 2013) and in result differentiate a brand (Kapferer, 2012; Keller, 2013)

4.1.1.1. Name

Throughout the analysis it was found that there was a clear tendency among analyzed startups to use fabricated or metaphorical approach to naming in combination with a descriptive one. The combinations of those approaches help companies to solve two issues at once. First, by using a fabricated approach startups coin a unique name which helps them to overcome the issue of being generic and achieve distinctiveness. This in turn might result in a better recall of the brand in general, as well more specifically facilitate the process of search engine optimizations where brand name is being top organic keyword (seen further). Second, a metaphorical naming approach has shown to be good at transmitting conceptual ideas of the business and highlighting a particular distinctive aspect of it (as in the case of Frame.io referring to professional terminology, JukeDeck referring to automated sound-devices and YPlan making its name a question). In this sense, being accompanied with a descriptive approach which brings more rational descriptive aspect to brand those possible naming combinations allow startups to express the essence of their company while
being able to put a dimension of a small story in a short word (for example Tiqets fabricated its name on a strongly descriptive base).

While is possible to say that the aspect of having a unique brand name is crucial to the brand identity, two of the analyzed brands had shown a clear naming anti-pattern. Both “Acast” and “GitLab” brands names were conflicting too much with their existing rivals (“ACast” and “GitHub”) because of the high name similarities. This in turn has led to a mixed and irrelevant search results in Goole app store for Acast app (the search query leads to a competitive app named ACast (ACast, 2011), as well as confusions found in media in understanding the differences between the companies in case of GitLab and GitHub (Buhr, 2015).

Moreover to that, in all of the cases the names of the startups were relatively short and were using one word per name rules. This aligns to proposition of Ghose & Yang (2009) who state that brand name length can largely influence later search results. The exceptions were “Frame.io” (startup decided to incorporate the internet domain into their brand name) and “Yik Yak” (startup uses the combination of two extremely short and similar words). Also, an interesting point is that some of the brands including Wallapop and Quiver were trying to push the use of their brand names as nominative verb. It has been observed in lines such as “Wallapop it” (Figure 2) in Wallapop’s online commercial (with the meaning to sell something using Wallapop marketplace) or “Quiver it” in Quiver’s twitter profile naming (with the meaning to send the protected file to somebody using quiver).

Figure 2: Screenshot demonstrating frame of a Wallapop online commercial from Case 4 with a brand name being used as a verb (See Appendix A, Table A4).
4.1.1.2. Tagline

While tagline is important for positioning statement only several startups were coherently re-using a clear one across all of their digital channels. Quiver, Yik Yak, Happn and Acast were among those companies who were found to be using a unique consistent phrase on both their own and rented digital channels. The observed taglines used were imperative, superlative and descriptive.

![Image of Quiver's tagline across different channels](image)

**Figure 3: An example of Case 1 and coherent tagline used by Quiver on its official homepage (upper left), social media post (upper right), mobile app (lower left), search engine results (lower right) (see Appendix A, Table A1).**

Other companies including Wallapop, Tiqets, Jukedeck, GitLab and Frame.io either had a tagline which was only used once or twice per channel or did not have a tagline at all. In all of the latter. It was also observed that companies were trying to formulate the description of their business in different forms on different channels, in this sense probably experimenting with a
different tagline versions for different segments on each channel.

   A notable point is that “YPlan” being the most mature startup in the selection has also been found changing it’s tagline from time to time (observed through archived web pages) and even shift away from using tagline at all as part of it’s identity as the company became more mature. In this sense the importance of a tagline for the startups should not be questioned, but the use of a non-coherent one should. If the company has no clear tagline that express its positioning strategy, it might experiment with it on the different channels, but should aim at establishing a universal one.

4.1.1.3. Brandmark

Almost all of the startups developed a clear brandmarks system that featured at least several unique brandmark versions for the use in different contexts and alternative placements. In fact, there was only one company (JukeDeck) which reused only one version of its brandmark

   It was observed that most of the startups shared many similarities in taking a particular approach to the brandmark development process (Figure 4). In this sense, a pattern has been identified. More specifically, such startups as Quiver, Tiqets, YPlan, Acast and Frame.io were all using a brandmark system which consisted of a freestanding brand wordmark and a smaller reduced versions of this wordmark which was shortened to a lettermark (the first letter of the brand name). This approach helped startups to create different versions of their brandmark smaller of which acts as a brand mnemonic device. In all of those cases brands were using customized and transformed typefaces for their lettermark.
Figure 4: Spotted similarities in brandmark development approach between Quiver (top left), Frame.io (top right), Tiqets (middle left), Acast (middle right) and YPlan (bottom left) : a freestanding word mark accompanied with a letter mark (See Appendix A, Tables A1,A2,A3,A5,A9)

The other part of the analyzed cases has also showed a clear pattern towards having a pictorial logotype (Figure 5). Such brands as Wallapop, Happn, Yik Yak, Jukedeck and GitLab aside from having a wordmark have also developed a distinctive pictorial logotype for their brand. The logotypes developed by Yik Yak, Jukedeck, Happn and GitLab established a clear connection to the brand itself or the product offered by those brands. In this sense, Happn used the element of geo-location arrows, Yik Yak and GitLab used their brand mascots, while Jukedeck referenced the music notation symbol. However, Wallapop did not create such strong connection and for some reason was using a generic symbol of a cloud as its logotype.

Figure 5: Pictorial logotypes of Wallapop, Happn, Jukedeck, Yik Yak and GitLab (from left to right) (See Appendix A, Tables A4,A6,A7,A8,A10).

As it was seen in both cases of “Frame.io” and “JukeDeck” startups have also combined pictorial approach with a lettermark approach (Figure 6). In the first case, the brand has added some abstract shapes to its lettermark, while in the second one the letters themselves acted as a symbolic icon. An interesting point is that “Happn” and “Acast” have also integrated their brand tagline in the brandmark system. Half of the companies would develop their brandmark in different colors for different placement scenarios.
Having said that it is pretty clear that brandmark system acts as a highly complex integral part of a brand identity needed for every startup. However, the approach which companies undertake in order to create one, might be too similar. In this sense, a best practice would be to combine different approaches as it was seen to be exercised by Frame.io.

### 4.1.1.4. Color system

When it comes to having a brand color system almost all startups are taking account of this as the companies were observed to be primarily using particular color combinations across different channels. However, only one startup - “Quiver” explicitly lists its official brand colors on its websites (Figure 7).

![Quiver Colors](image)

*Figure 7: Quiver’s official brand color palette found on the corporate website.*

Other startups including Tiqets, Yplan, Wallapop, Frame.io, Happn, Acast and Yik Yak were primarily using specific combinations of color as their brand schemes across different digital channels and communication artifacts, but do not state elsewhere online about the official status of those colors. Two startups namely Jukedeck and GitLab were found to have a weak or still developing brand color palette.
4.1.1.5. Typefaces

Typography was acknowledged to be influential communication tool which affects visual perception of customers and their emotions (Koch, 2012) and should be used as integral part of a brand identity (Lightfoot & Gerstman, 1998) which enhances brand awareness and image (Keller, 1998). The analysis of typefaces of the selected startups on their own channels has clearly shown that brands tend to select and use commercial fonts for their communication channels and materials in order to achieve distinctiveness in typography aesthetics. Six out ten startups featured only commercial fonts within their assets. One company was using a combination of a free and commercial typeface, while three startups left were using fonts from the set of free typefaces.

An interesting paradox has been spotted however, as in the pursuit of having unique brand it was possible to observe a highly shared approach to the font selection process among several brands. In fact such companies like Quiver, Wallapop, Frame.io were all using the same commercial font named “Avenir” the distinctiveness of which can also be doubted as it is one of the most popular typographic choices in online design communities for several years already (Shoaf, 2016).

As it was possible to observe the choices company makes about their typographic elements should not be grounded on too popular solutions or they risk losing distinctiveness. On the other hand, the use of free typefaces poses a risk of being too generic, as it was seen seen in cases of “Acast” and “Happn” as they were using the same default typefaces. The same was observed between “GitLab” and “Tiqets” cases. In this sense, only small portion of startup were able to achieve an actual distinctiveness in their typographic selection.

4.1.1.6. Brand guidelines

Even though having a clear brand guidelines helps companies to communicate more effectively with their publishers and partners, as well as prevent the distortion of their brand (Kapferer, 2012) only one company got to the point where it was possible to observe a small coherence in an advisory on the usage of the official brand assets.
It was the case of Quiver in which company listed its official brand elements on the website, allowing visitors to download them as digital assets, and providing them with a short explanation of how to use those in applications and printed materials (Quiver, n.d.). Two cases that could be mentioned are Tiqets and Happn as those companies distribute their official brandmark systems as digital asset, as well as feature official brand press releases on their websites (Happn, n.d.; Tiqets, n.d.). All other startups lacked on those points and did not mention anything explicit about the use of their brand assets. The only exception might be GitLab which is constantly evolving its brand because of the open-source nature of the project. For this reason technology startups are clearly seen to devote small attention to establishing their brand guidelines.

In conclusion, it is possible to state that brand identity element is important for technology startups and most of the companies are able to establish basic identity elements. However, a spotted variety in the levels of completion and coherence of brand identities among analyzed companies (like undeveloped brand guidelines, irrelevant pictorial brandmarks, absence of coherent tagline, use of low distinctive typography) signify that tech startups are not placing enough focus in this area.

4.1.1. Brand extensions

Brands extension was acknowledged to be a helpful method which can leverage trust and reliability of customer segment (Chiang et al., 2008) and should be seen as particularly important innovative branding strategy for technology startups in an online environment (Song et al., 2010). Brand extensions of startups were assessed through a lens of an endorsing architecture strategy outlined in the theoretical part. Results have shown a pattern in which half of the analyzed startups were making use of endorsing strategy in a way described by Kapferer (2012). More specifically startups namely Quiver, YPlan, Frame.io, JukeDeck and GitLab were all embedding endorsing brands of their customer, partners or media resources on their corporate websites in a graphical manner in order to increase their own brand credibility (Figure 8). Companies listed the logotypes of their partner brands or brands which counted as the users of their product. In addition to that startups would list testimonials from the well known media resources and news articles written about them sometimes using quotations from the articles. Frame.io was also interestingly observed
to be using brand marks of its competitors to compare its service against those (Figure 9).

Figure 8: A clear pattern has been found in a way tech startups are using endorsing brand architecture strategy on their websites. Quiver (top left), GitLab (top right), YPlan (middle left), Frame.io (middle right), JukeDeck (bottom).
Figure 9: Frame.io compares itself to other non-direct competitor brands.

None of the startups were part of any direct brand architecture which differed from endorsing brand architecture strategy. However, Tiqets had an interesting offer to other business such as a co-branded platform solution. With this solution Tiqets offers other business to get their own versions of the original platform built by the brand. On those platform logotypes of both business (the logotype of Tiqets and partnered company) would be placed (Figure 10).

Figure 10: Co-branded website offer from Tiqets

As a conclusion endorsing brand architecture strategy being non-expensive solution which is easily executable in digital environment has been seen to be exercised by a large amount of tech
startups to increase their brand status.

4.2. Customer segments

4.2.1. Web analytics

Throughout theoretical part an importance of established brand measurements system has been highlighted for the purpose of innovating customer segments block of business model (Munoz & Kumar, 2004; Jackson, 2009; Hipperson, 2010). As advised in theory web analytics should be an integral part of a brand measurement system and branding process which helps startups to research their customer segment, quantify and measure branding performance agains segments and thus spot underperforming areas of their branding and marketing effort on different channels (Wiggins, 2007; Seggie, 2007; Loftus, 2012; Sleeper, Consolvo, & Staddon, 2014).

4.2.1.1. Web analytics

The rustles of the analysis has shown that all of the startups follow the theoretical advice regarding the importance of having web analytics. All companies were found to be using some kind of web-analytics solution on their official websites or mobile and web-applications. A clear pattern has been identified as nine out of ten tech companies were making use of a Google Analytics library which seems to be a default go-to choice for a modern online analytics solution that does not require monetary investments. Moreover to that, all of the companies that were using Google Analytics library did also employ an additional analytics solutions aside. For example Tiqets, Frame.io and Happn has shown similarities by using “Google Remarketing tag” which helps companies to achieve more intelligent remarking thus potentially personalize the experience for the customers.

An outlier has also been identified wishing this web analytics block. Quiver was found to be the only company outstanding in terms of having a content performance tracking solution on their website (Figure 11). The case was observed to not only limit itself to the use of web-analytics for the measurements but was actually found to be performing content experiments by simultaneously running multiple versions of its website.
Figure 11: Screenshot demonstrating multiple versions of the same homepage ran simultaneously by Quiver with the help of Google Analytics Content Performance Extension and tag manager system (smart links). Company is testing performance of different types of supportive visual graphics and body copy on their website for a different customer segment.

Happn has also been spotted as an outlier as it was the only company to employ an analytics solution that tracks the measure an impact of offline TV commercials on its digital channels. With those notions in mind the importance of having a web analytics solution for a startup can hardly be undermined.

4.2.1.2. Behavior tracking systems

The analysis on the subject of use of behavior tracking systems has also revealed a clear pattern as eight out of ten analyzed startups were found to be using at least one service which allows to track users’ actions online (actions that go beyond simple page transitions). Quiver, Yplan, Frame.io and JukeDeck were found to be using all same solution provided by Mixpanel service. Tiqets, Frame.io and Acast did also employ software tracking service named “New Relic” which might be used by those companies for either measuring their application performance or as a user monitoring suite solution.

A notable point should also be outlined concerning “Hotjar” and “Fullstory” behavior tracking services that were found to be used by Frame.io and YPlan (See Appendix A, Table A3, A5). Those solutions employed are distinct from the majority of other behavior tracking services.
found. In most of the case popular solutions that were observed to be used among tech startups (such as “Mixpanel”, “New Relic” and “Piwik Analytics”) would allow companies to track custom events on their digital channels. In simple terms, it means that a brand would have to define the actions it wants to “listen” to from its users and by default already know where to expect those actions to happen. This might not always be a true scenario as companies might be bias in their assumptions and hypothesis or even lack any knowledge or assumptions in this area. However, the services used by Frame.io and YPlan allow the brands to retrieve a fully recorded sessions of their visitors, meaning that those companies might actually dig to a deeper qualitative level of understanding in the behavior of their users.

In conclusion, the practices found during the analysis of this block were following the theoretical proposition about an importance of a data-centricity in accompanied branding activities for the sake of innovating customer segments. Tech startups can use web analytics and behavior tracking solution as an important element that contributes to the user segmentation process and allows companies to dive into more qualitative rather than the quantitative aspect of a user behavior.

4.2.2. Opinion-gathering tools

Innovative brand management behavior should aim at establishing a brand management system which is capable of capturing feelings and experience of a customer segment (Borowski, 2015) in the form of a brand-related consumer contributions with a help of opinion gathering tools (Burmann, 2010). The analysis of the cases has shown that most of the companies undermine the importance and efficiency of an opinion gathering tools and do not utilize the possibilities in this domain in the full manner.

In most of the cases companies were lacking on opinion gathering tools and did not establish this block as a coherent integrated approach. In fact only two cases namely Tiqets and YPlan were observed to have a dedicated section for customer feedback on their websites (YPlan was observed to be using “Usabilla” service for this).
While Wallapop, Quiver and YPlan were using online polls to some extent on their social media accounts all of those polls and surveys observed were not directly linked to opinions on product or the brand itself though were considered as an entertainment content discussed in the further section on user engagement. A surprising point was also the absence of a product discussions for almost all of the cases. Only Frame.io was found to have specific product discussions in the comments sections of the articles posted on its official blog (those that were related to product updates) discussed further (See Appendix A, Table A5). Also none of the companies except GitLab e mention their product roadmap or clearly define the future updates of their products elsewhere online.

In conclusion, it is possible to observe that pro-active use of opinion-gathering tools for branding purposes are not considered important by young technology ventures. Cases go against theoretical suggestions as companies do not leverage the potential of brand related customer contribution in a full manner thus block themselves from potential improvements.

4.3. Customer relations

4.3.1. Onboarding experience

An interactive experience in online environment was outlined to be one of the key branding elements which allow companies to generate positive perception of the company, improve their brand image, bring positive feeling to consumers thus strengthen customer relationship (Voorveld et al., 2009; Yoon et al., 2008; Voorveld et al., 2011; Voorveld et al., 2013). Interactive explanation of a business value proposition was also identified as crucial approach towards first-time brand encounters for the digital products (Renz et al., 2014).

Through the analyzing of cases, it was possible to observe several primary patterns in which startups build an onboarding experience for their visitors. The first set of companies includes Quiver, Frame.io, Yik Yak and Happn their approach to onboarding experience can be identified as a three step interactive journey which “show”, “explain” and “let try” phases. Each of those companies performs those distinctive three steps in order to persuade their visitors to become a new user in an interactive manner. The official websites of those companies are
explaining the value proposition of the business to the visitors, while at the same time feature an interactive product tour. Through a product tour the brands simulate the product experience with the help of animated graphics. Companies are showcasing the actual interfaces or specific features of their product on different devices and accompany their presentation with a short explanation or testimonials from their users (Figure 12).

Figure 12: examples of an animated simulations of a product interface on different devices used by Frame.io (upper left) and Quiver (upper right) and Happn (lower) on their websites.

At some points visitor are delegated to interact with some small components of the simulated application (like set file restrictions on the website of “Quiver”, or rate the message up on “Yik Yak”, Happn is using scroll tracking to trigger changes on simulated interfaces) (Figure 13). All of those webpages have a clear call to action button which asks its visitors to sign up for a service. Only after the registration is complete users can start actually using the service. Both Frame.io and Quiver are also using a separate page through which brands explain their product
features and value proposition in a more elaborate and precise way.

Figure 13: examples of an interactive clickable elements on the home pages of Yik Yak (on the left) and Quiver (on the right) which change their state according to a user action and simulate the use of a product.

Another pattern for on boarding experience was identified among a set of five companies including Quiver, Yik Yak, Frame.io, Wallapop and Happn and was primarily connected to the use of video materials on the websites (Figure 14). The way video materials were used differed though. Quiver, Yik Yak and Frame.io were using video materials as a non informative backgrounds on their websites which were not actually playable by action but were constantly replayed as a loop for aesthetic purposes. Frame.io, Wallapop and Happn were identified to use professionally produced promotional clips on their landing pages which should be triggered by users. While Frame.io and Wallapop featured both a background video and promotional clip on their web homepage Happn was using a video commercial only as their primary and introductory element of its onboarding web experience. While Happn does also integrate the steps from the first set of companies and include explanation of it’s value proposition, showcases the product interface and explains its features, Wallapop limits the visitors only to the promotional video content and encourages them to download the brand app.
Figure 14: examples of professionally produced brand videos embed on web home pages of startups in a playable (Quiver - top left, Frame.io - top right, Happn - bottom left) and non-playable (Yik-Yak bottom right) ways.

Another pattern was spotted among the set of companies that include Tiqets, YPlan, Jukedeck and Acast to some extent as well. Their approach is very different from the previous ones as startups primarily prefer not to have any explanatory steps or pages on their official website but instead immediately present their visitors with a product for the instant use of without having to register to try it. Tiqets, YPlan and Acast present their visitors with a search bar tool, and as far as search field might not be the best intriguing element for a visitors brands purpose some of their own pre selected content for inspiration. In this sense from the outset Tiqets suggest its visitors some particular ticketing option, YPlan suggests different kind of events, while Acast prompts users to start streaming particular podcasts. Jukedeck also immediately prompts its visitors on the website to use the service to generate their first track using the intelligent service and only in the period of a track creation the brand asks the visitors to sign up for a personal account.

The only company that did not meet any pattern was GitLab as it lacked any interactive onboarding experience as well as clearly present call to action element.

Some of the companies that provided their users with a native mobile application did also
put an effort in order to build an introductory screens for their mobile applications, through which they briefly explain the primary features of the app. Quiver, Happn, Yik Yak and YPlan were among those. Wallapop and Acast left their users with no onboarding screen but immediately suggested some of the content to them.

A very important point should be noted about Frame.io as it was the only brand which extended the onboarding experience beyond the line of user registration. Frame.io helps its new users to go through several setup stages, supply new users with a demo project for quick start and uses marketing automation in order to send relevant notifications to users who performed some specific actions for the first time.

In conclusion it is possible to state that interactive onboarding experience is important for young technology ventures and companies can be using different means in order to achieve it. Interactive experience on the brand websites can be built through an animated explanation of a business value proposition with supportive graphic elements, simulation of actual product interfaces and interactive components with changeable state. Moreover to that young startups can utilize professionally produced video content as part of their onboarding experience or ground the whole experience around video as a central element.

### 4.3.2. Personalization

Brand activated personalization was acknowledged to be a value creating element (De Reuver & Haaker, 2009) which can be strategically used by tech startups to improve their customer relationship through additional customer satisfaction (Kwon & Kim, 2012). Personalization block of startups was assessed on three different levels including architectural, relational and instrumental levels.

It was observed that only two startups including Tiqets and Happn were using architectural type of personalization activated by internationalization and localization features on their websites. Those two companies provided localized versions of their platforms for their visitors.

Relational type of personalization activated through brands’ direct communication on social media channels has been exercised by a half of the companies including Quiver, Jukedeck, Tiqets, YPlan, Frame.io and Wallapop (Figure 15). Quiver was observed to occasionally greet its
users with holidays on its official social media profiles and establishing some personalization aspect with an email marketing material (See Appendix B, Table B1). Tiqets was found to post personal replies to the comments of users on its social media pages (See Appendix B, Table B2). YPlan, JukeDeck and Wallapop are very actively replying on social media to their commenters (See Appendix B, Table B3, B4, B10). A Frame.io company’s replies on social media encompass almost every commenter on the brand official feed (Figure 16). An important point can be outlined regarding Frame.io as it was spotted to use its own channel for relations type of personalization. Frame.io publishes articles on its blog which are written and authored to the CEO of the company, with him later being actively engaged into conversations in the comments sections (Figure 16).

Figure 15: An examples of brands replying to their commenter on social media in a personal manner (Jukedck - top left, YPlan - top right, Tiqets - bottom left, Wallapop - bottom right )
Figure 16: An example of Frame.io establishing relational personalization through direct replies on its official Facebook page (on the left) and CEO being engaged in conversations on a corporate blog (on the right).

Instrumental personalizations grounded to technological aspect was found to be used by four companies including YPlan, Wallapop and Frame.io (Figure 17). YPlan has a dedicated personalized section of the product itself called “personalized events” (See Appendix A, Table A3). In addition to that YPlan was observed to be sending daily event suggestions through emails to its users based on their interest and previous event searches. The email marketing material sent by YPlan was found to be signed sometimes by individuals rather than the whole team. Wallapop uses instrumental personalization by forwarding mobile notifications to its users with a very personal human touch content pretending if a user is in the relationship with a brand’s app (also can be called as personification of a brand). Frame.io might have employed the most comprehensive suite for instrumental personalization of its brand. The brand is using marketing automation solutions to send out a non-templated authentic looking email messages signed by co-founders. In addition to that it uses personal transactional emails and instant on-site customer support tool discussed in the latter block.
Figure 17: An example of instrumental personalization with transactional emails, push notifications and automation services used by Wallapop (top left; bottom left) and Frame.io (top right, bottom right).

To conclude it is possible to state that personalization is strategically important for your tech startups, however only limited amount of companies uses it in a comprehensive an integrated manner. It was observed that startups most commonly are engaged into relational type of personalization with architectural and instrumental personalization receiving less importance. While the lack of architectural personalization might be explained by the specifics of a business’ customer segment, the instrumental personalization is clearly under evaluated by startups which contradicts theoretical suggestions.

4.3.3. Customer engagement

As seen from theoretical part brand engagement considered to be source of a emotional bonding, trust and commitment between a brand and its customers, thus enables customer relationship improvements (Brodie et al., 2013). Branded content was acknowledged to be on the strategies suitable for online environments with which companies might bring additional value to their
segments, prolong the time segment spends with their brands, increases brand loyalty, helps to acquire brand advocates and execute brand positioning (De Valck et al., 2009; Van Laer et al., 2013; Halvorson & Rach, 2012; Lipiäinen & Karjaluoto, 2015; Hollebeek et al., 2014; Cheung et al., 2011).

A pattern has been identified on the subject of blogging, as more than half of the companies analyzed were observed to be running official brand blog. Though, the approach to the blogging was different among the companies. Such companies as JukeDeck and GitLab did not have any precise categories for the articles on their blog and were primarily tied to a product or team updates (new releases or new members added to the team). On the contrary other companies have either clearly defined the specific content topics with categories (Frame.io, Yik Yak) or stuck to publishing a particular type of content without explicitly defining the categories (YPlan). For example Frame.io had covered different themes on its blog including “storytelling”, “production”, “career”, “product updates”, “announcements” (Frame.io, n.d.). It was clearly seen that Frame.io and YPlan took a very solid effort to execute a strategic approach to content production as companies were observed to hire dedicated professionals and specialist for the content production for the sake of enhancing user engagement and building brand communities. Both companies were integrating their blogging with email marketing, social media networks as well as search engine optimizations discussed in further section (as corporate blog of YPlan was found to be one of the top referring search organic keywords that lead people to the platform indicating how interested people might be in a comprehensive content; while Frame.io was later found to increasingly retain its customers through email channels with the highest observed value for the traffic in this channel among all cases).

Startups were analyzed on the subject of producing and sharing branded content across social media and a pattern has been identified on the media platform selection and type of branded content produced. All of the brands were found to be present in at least two social media networks. In all of the cases, the brands would choose to be present on major social media platforms such as Facebook, Twitter, LinkedIn, Instagram, Youtube, Dribble, Vimeo and Pinterest (as well as Soundcloud, Vine and Tumblr in case of Yik Yak). The selection of major platforms aligns to theoretical propositions as those platforms provide startups with large audiences to engage with.
First pattern regarding type of produced content has been spotted among almost all of the companies including Quiver, Tiqets, YPlan, Wallapop, Frame.io, Acast, Jukedeck and GitLab as those brands were using social media networks in order to showcase a backstage life of their company and internal business events such as team celebrations, work in progress process or participations in the conferences (Figure 18). Brands were primarily using Facebook, Twitter and Instagram in order to disseminate the message of those types. However, in some cases the content related to internal life of the company was possible to find on LinkedIn network (YPlan).

Figure 18: An example of startups posting branded content on their social media channels showcasing their internal company’s life by Frame.io (top left), Quiver (top middle), Tiqets (top right), Acast (bottom left), YPLAN (bottom middle), Jukedeck (bottom right).
A second pattern on branded content use was spotted among four startups including Wallapop, Happn, Yik Yak and Frame.io as startups we're exercising production of branded video materials (Figure 19). From the media sources and interviews with founder Frame.io and Wallapop were found to invest solid amount of time and capital into production of professional video commercials as part of their digital strategy (Novoa, 2015) which is later uploaded to social media networks like Youtube and Vimeo.

![Wallapop](image1.png) ![Happn](image2.png) ![Frame.io](image3.png) ![Yik Yak](image4.png)

*Figure 19: An example of branded video materials in a form of adapted commercials by Wallapop (top left), promotional clips and episodes by Happn (top right), product explanations and interviews with customers by Frame.io (bottom left) and diverse types by Yik Yak (bottom right).*

For example Frame.io found a way to showcase in those videos other brands and companies that were using their product, as well as address the story of the company told by CEO and team members. Wallapop was comprehensive in repurposing parts of its TV advertisements on social media in different forms such as pictures, animations and short looped videos. Moreover to that the brand has produced additional content out of the very process of producing video content and posted it on its Instagram channel as advertisements shooting backstage photoset (Figure 20).
Figure 20: An example of one and the same content story being repurposed in different forms by Wallapop on Twitter (top left), Instagram (top right) and Youtube (bottom).

A third pattern on the subject of a branded content has been identified among YPlan, Frame.io and Yik Yak (Figure 21). Those startups engaged their users by uploading branded content which uncovered design solutions and brand assets such as unique graphic materials, photos, illustrations and animation on a specific social media network called Dribble.

Figure 21: Social media profiles with design materials shared by YPlan (left), YikYak (center), and Frame.io (right).

Apart from that several other notable points can be outlined but were not identified as a pattern. Acast and Yik Yak were also engaged into the production of a branded audio content. What is interesting is that both brand did not create the content solely on their own, but partnered with other producers for a final delivery - Yik Yak uploaded music mixes on Soundcloud featuring
different DJ, while Acast partnered with podcaster and storytellers to produce content for their platform and later advertise it through social media. The curation of external content on social media was not really popular but was occasionally found to be used by Quiver, Acast, JukeDeck and YPlan. A common scenario for repurposed content was when a company would post news articles which mention that brand or provide some overview relevant to the industry of a startup.

An interesting user engagement pattern was also identified among Tiqets, YPlan, Wallapop, Yik Yak and Frame.io who used social media in order to organize special contests and giveaways (Figure 22). This pattern aligns with a theoretical propositions about the importance of tangible benefits for customers who engage with a brand on social media. Those startups were all found to be actively posting social media contest with tangible prizes such as merchandised brand materials or other products. YPlan was incorporating this strategy from the very first posts of the brand on the social media and was actively using the integrative approach by interlinking its social media accounts in order to increase the followers base.

Figure 22: examples of social media contest and giveaways by Tiqets (top left), Yplan (top center), Frame.io (top right), Wallapop (bottom left), Yik Yak (bottom center).
To conclude, it is possible to state that young technology ventures do clearly understand the need and importance of engaging their audience in online environment. From the patterns outlined it is possible to suggest that tech startups might experiment with different ways of engaging their customer segment. The first strategical advice is running official blog and publishing professional branded articles. Apart from that startups can engage their user by producing professional video content which is later shared on social media channel. Probably less resource consuming strategy is engagement on social media with a branded content that comes in a form of posts showcasing the working environment of the startup and its team. Apart from that tech startups can use their design assets in a strategic sense as branded content. Consequently it is important for tech startups to provide tangible benefits to their customers through their branding efforts with the help of contest and giveaways.

4.3.4. Customer service

Customer service is an integral part of a tech startup branding can help retain users, differentiate the brand and increase brand loyalty and being put in an online environment has to respond to customer-centric approach trying to overcome transactional aspects (Subramaniam, 2009; Moore, 2015; Solomon, 2015, Uboweja, 2015; Poulos, 2015).

A pattern has been identified regarding self assisted service among Quiver, Tiqets, Frame.io, Happn and Yik Yak as the companies were making use of a Frequently Asked Questions section. Those companies have an established list of frequently asked questions which potentially allow visitors to get elaborate information needed before contacting the brand. Moreover to that GitLab and Frame.io were also spotted to have an established dedicated supports portal with an educational resources, materials and tutorials.

A pattern of transactional support has been identified as all of the startups with only one exception provided a straightforward contact option for its visitors either in the form of a feedback form or by listing its own email address for inquiries. Quiver being an outlier by not providing those kind of options did only enable the reception of a direct messages from the users on its social media profiles. Three companies including Yik Yak, GitLab and Frame.io had elaborate customer feedback sections segregated for the different types of enquiries.
A more interactive support pattern has been identified among other four companies including Quiver, Tiqets, YPlan and Frame.io each of which were spotted to provide support to its followers on social media channels. Tiqets also provided support to their customer in a responsive manner (within 5 minutes) if customers contact them via “Whatsapp” messenger. Moreover to that, Frame.io was the only startup to provide on-site real-time instant messaging experience with the representatives of the company through chat.

To conclude customer support might be generally seen as an important element for young tech ventures. Startups can provide support for their customers in a different manner ranging from a self-service support methods (with the help of FAQ and educational resources) to interactive ways. Approved evidence of theoretical claims were found as only limited amount of companies provide their interactive support in way which overcomes the transactional-based customer support schema in which users or visitors are required to wait long for the responses. In this sense, a strategical suggestion for tech startups derived from the observed practices would be to build towards responsiveness of their support through the use of social media channels and on-site real time messaging.

4.4. Channels

4.4.1. Social media

Building presence of a brand on social media was acknowledged to be important for tech startups as it can contribute to a brand awareness and image as well as generate more traffic to other important brand's channels (Tiago, & Veríssimo, 2014; Bruhn et al., 2012; Zheng et al., 2015).

A clear pattern has been identified regarding the selection of social media channels. All of the companies analyzed were present on at least two major social media platforms with Facebook and Twitter being all the time in the list. Other social media platform observed to be used by different startups include LinkedIn, Instagram, Youtube, Dribble, Vimeo and Pinterest.

A strong pattern has also been identified regarding the efficiency of social media channels in terms of driving traffic to controlled brands’ channels. In all cases analyzed social media channels were lacking performance in visitors acquisition process to the official brands’ websites.
Eight out of ten startups were observed to get less than 10% of main websites’s traffic from social media channels. Moreover to that the value for the acquired traffic from social media channels (relative to all web traffic) in some cases (Quiver, GitLab, Yik Yak) did not even exceed 5%. The exemptions were Acast and JukeDeck who both received slightly more than 14% of its total website visitors from social media networks. An interesting notion is that without regards of those small values observed for social media channels in general Facebook was the most effective social media network to generate new visitors for the brand with a wide margin compared to other networks for all the cases.

To conclude tech startups clearly understand the importance of establishing a brand presence on social networks and primarily take in account the largest networks including Facebook and Twitter as an inevitable part of their scope. However, contradictory to the theoretical suggestions social media channels (even if used for a user engagement) act as a poor strategic tool for acquiring new users on controlled channels.

4.4.2. Website

The technical dimensions of a website including its adaptation to multiscreen environment and page load speed can largely influence user experience which is one of the keys for brand differentiation and customer relationship branding (Stuart-Menteth et al., 2006; (Al-Qeisi et al., 2014; Aladwani, 2006).

Analysis on the subject of website’s multiscreen adaptation has revealed a clear pattern as all of the cases in the sample showcased to be using responsive websites with adapted user interface for the different devices according to the results from Google mobile-friendly test tool.

Analysis on the subject of website’s speed load has also revealed a pattern. All of the companies failed to adapt their mobile websites in terms of speed to receive a positive rating in Google PagesSpeed insight test.

Analysis with a Similar Web platform tool has also shown a clear pattern in terms of a traffic growth on website of such companies as Tiqets, Frame.io, Wallapop, Happn and Acast. All of the startups has shown a steady linear growth in the amount of traffic for the period of last six month (December 1 2015 - May 1 2016). Such companies as Yik Yak and GitLab have shown an
outstanding growth with Yik Yak being able to grow its monthly visits from 40 thousands sessions to more than a million in the last 6 months. GitLab on the other hand doubled its monthly visits from 3.5 millions to more than 6 millions in the same half a year. Such companies as Frame.io, JukeDeck, GitLab received a significant amount of traffic from referral sources which are established specialized online communities (video producers for Frame.io, vloggers and online word-of-mouth for JukeDeck, software developers for GitLab). In this sense, it is possible to state that those companies are getting nicely targeted visitors who are potentially interested in their products from the outset. All of the better performing companies except Wallapop (which does not have a usable website) has also shown to receive most of its traffic from direct visits, meaning that startups to the most extent have already established their user base with returning loyal visitors. Wallapop being engaged into production of a professional TV advertisements later seen on the website seems to be able to generate massive amounts of traffic, while at the same time get people interested with the advertising content. In this sense, it is possible to state that the level of engagement that brand provides on its official website is still something that startups should highly keep in mind while building it.

A clear pattern has also been revealed concerning the amount of time that visitors spend on the brand website. According to the results from Similar Web platform analysis, half of the companies (Quiver, Tiqets, YPlan, Happn and Acast) could not exceed the average time session that goes beyond 3 minutes per user. The same set of companies was also found to unsurprisingly share similarities in having average pages view per visitor (not exceeding 2 pages) and high bounce rates (over 50% of total visits on average).

To conclude tech startups understand the importance of website channel and the need to make it mobile-friendly to provide best experience for their customers. However, all of the companies lack in the field of a website speed loading performance thus might damage user experience of their customers. Tapping into right communities is something young ventures should look forward when attracting visitors to their website as well as new ways to prolong sessions with their visitors.
4.4.3. Search engines

It was acknowledged that search engine traffic is important for tech companies and through this channel startups can raise their brand awareness influence as well as improve brand recognition (Song et al., 2010; Baye et al., 2014; Ghose & Yang, 2009; Rutz & Bucklin, 2008).

Five out of ten companies have shown a pattern being involved into search engine marketing activities. Such companies as GitLab, Tiqets, YPLan, Wallapop and Happn were all performing paid marketing on search engines according to the analysis on Similar Web platforms. Interestingly, four last companies received most of their web traffic from search engine channel.

In most of the cases, top organic searches were observed to be brand names with several occasional exceptions for generic phrases in case of Tiqets, YPlan ad Acast. The brand names were observe to be sometimes misspelled (for example Happn was spelled like “Happen”, “Hppn”, “Hpnn”; Wallapop was spelled “walapop”, “walapo”) by users which also indicates on the importance of the naming selection process that takes into the account easiness of the brand name.

To conclude search engine is arguably important channel for online tech ventures, but only limited amount of companies uses paid marketing on this channel.

4.4.4. Email

It was outlined that Email is an important channel for tech ventures as it can help companies to complement the brand building process and generate additional traffic to brand web sites through email newsletters or personalized marketing (Simmons, 2007, Merisavo & Raula, 2004).

A pattern was identified among six companies including Acast, Yik Yak, YPlan, Quiver, Frame.io and GitLab as all of those companies were observed to send email newsletters for the subscribed customers. However, according to the results gained through the analysis on SimilarWeb platforms the amount the performance of email channel was not consistently effective for companies both engaged and not engaged into news lettering. Seven out of all ten companies received less that one percent of their monthly web traffic from email channel. Jukedeck, YPlan and Frame.io were identified as outliers. According to the gained metrics Frame.io and YPlan
were the only companies to get more than 14% of their monthly web traffic from email channel. This aligns with previous findings. Both YPlan and Frame.io were found to produce professional branded content articles and integrate their blogging efforts with email new lettering. Moreover to that, Frame.io was observed to use automotive email marketing which sends personalized letter to customers in a comprehensive manner.

To conclude email channel was found to be an undervalued channel the opportunity of using which startups from the current analysis were mostly missing. From the best practices analyzed it can be suggested that email channel still has big potential for your technology companies in case it is integrated with other elements of a business model discussed. Tech startups can pursue an opportunity to retain their customers with over email with the help of integration of a branded content into email news lettering as well as the use of automated email marketing to send personalized messages.
5. Conclusion and discussion

The main purpose of this thesis was to investigate how early stage media technology startups in the United States and Europe can innovate their business models through online branding in order to acquire a strategic position. Media technology startups of modern digital economy face a large number of threats because of the extensively disruptive nature of their industry (Grossman, 2016). Innovating becomes an extremely hard task to do within those circumstances especially considering that young tech companies tend to overemphasize the value of a technology and try to compete with their rivals purely on a technological advantage (Chesbrough, 2010; Davis et al., 2001; Gliga & Evers, 2010). Because of the unique challenges found in technologically intensive markets young startups should innovate their business model from a customer-centric perspective to successfully differentiate themselves and get a better strategic position (Keller, 2013). Building a brand online is one of competitive customer-centric strategies for digital economy as strong brands have been acknowledged to create additional value and help companies to establish immutable differentiation (Kapferer 2014, Keller 2012, Bresciani & Eppler, 2010; Juntunen et al., 2010; Peteraf, 1993; Srivastava et al., 2001). Online branding should help young tech ventures to innovate their business models and become more competitive while overcoming the complexity of grounding innovation on product features and technical specifications.

5.1. Significant findings

The analyses of the cases have revealed several significant findings which answer the main research question. The findings from the analysis showcase best practices of the cases and should be relevant for early stage technology startups as a guiding branding principles for online environment to improve their business model and acquire strategic positioning. For the sake of convenience findings can be aligned to three main themes including brand identity, engagement and technology.

First of all, startups that aim at achieving differentiation should be able to set up at least basic brand identity which includes unique distinctive name of the company, flexible brand mark system and brand colors. A more elaborate approach towards identity building process would
include in its scope other elements which were observed to be missed by tech startups. Those include an establishment of a coherent brand tagline to translate brand’s positioning statement, selection of distinctive typography for brand communications and creation of brand guidelines for the prevention of brand image distortion. The more complete approach startups would take in the process of identity building the more capable it would be in creating additional value for customers. The findings relate to Keller (2012) who identify a brand identity to be the first step and pillar of brand building process which is significant for both online and offline environment and without which no additional meaning and perceived brand value can be created, thus strategic positioning acquired. An endorsing brand architecture strategy being found to be extensively used by analyzed tech companies should be able to complement this process. Young startups can leverage the strengths of other strong brands and their identities in order to build credibility for own brand. By graphically showcasing the fact of other well-known companies using product offered by a startup or by listing partnerships with or media coverage from other notable companies on their websites young startups can leverage the strengths of strong brands and their identities in order to build credibility for own brand. This relates to findings by Chiang (et al., 2008) and Song (et al., 2010) according to whom brand extension (in its different form) is innovative branding strategy particularly relevant and advantageous for tech ventures dealing with digital marketplaces.

Second major branding implication suitable for online environment is building towards strong engagement of customers. Startups can execute this step by providing interactive onboarding experience on their websites and producing branded content for social media channels. Startups can achieve interactive experience on their websites by explaining value proposition of a business through animated graphical elements including professional branded video materials, simulated product interfaces and interactive component with a control delegated to a user. An interactive experience is inevitably linked with a website channel element the coherence and accessibility of which can be gained through its load speed and adaptation for mobile use as those factors complement user experience. Moreover, branded content plays an important role in achieving engagement of customers and can be integrally linked with interactivity element (because branded content can be used on the websites, while website themselves can also act as
branded content themselves). Several key content strategies and types of branded content can help startups improve their strategic position depending on resource availability: running own corporate blog with professional articles, producing branded video content, sharing its graphical design assets in relevant online communities and publishing photos of its team and business processes on social media. Apart from branded content contest and giveaways play an important role in achieving engagement of customers providing them with tangible benefits. The last two suggestions apparently relate to the social media and email elements as integration of a branded content and contests should be primarily aimed at those channels. Moreover to that the type of engagement described accordingly relevant to relational type of personalization which companies can easily achieve over social media network channel by engaging in direct conversations with customers. Customer engagement should consequently become one of the key focal areas of young tech ventures seeking for strategic positioning through brand differentiation.

Third component which becomes extensively important in online environment for tech ventures is innovative use of technologies for branding purposes. This can be done with the use of web-analytics, behavior tracking systems, automation marketing services and real-time online support tools. Those new tools should allow young tech companies to quantify their brand measurements and gather data efficiently for the research purposes of their customers. Young tech companies that operate in online environment should consider real-time online support tools like on site chats important because of their responsiveness and human-assisted nature. This strongly relates to the outlook of Subramaniam (2009), Moore (2015), Solomon (2015) and Uboweja (2015). More importantly those tools accompanied with automation marketing services are directly linked to architectural, relational and instrumental personalization as they enable data-driven internationalization, personalized transactional messaging and increase efficiency of the support channel.

5.2. Theoretical implications

The significant findings presented above are in substantial alignment with theoretical propositions outlined in the first part of the research. However, not all business model elements discussed were found to be important in the analysis of cases as they were presented in the theoretical part.
First of all, no significant evidence was found regarding the importance of branding with online opinion-gathering tools as discussed by Burmann (2010) and Borowski (2015). Most of the cases did not use brand activated customer contributions for customer research and brand measurement purposes but utilized them for customer engagement. Moreover to that the analysis has also shown that customer support strategies of early tech startups can depend on their value proposition and type of business thus not always need to be interactive in their nature. Even though utilizing human-assisted support in online environment can be crucial for branding, startups can build a comprehensive self-service support for their technology product or services through alternative means including FAQs, tutorials and other educational resources.

The cases have also showed mixed results in the use of such channels as social media, search engines and emails. Despite theoretically acknowledged importance of brand’s presence on social media (Bruhn et al., 2012; Tiago, & Veríssimo, 2014) the amount and type of social media networks brands can be registered to largely vary and no clear efficiency indicators allow to outline which particular networks would offers most value to customers and bring benefit to the company (apart from Facebook being present and most effective traffic generator in analyzed cases). This factor largely intersects with the strategic choices tech startups would make as brands regarding their engagement strategy discussed earlier. Apart from that the findings on social media channel in general contradict Stelzner’s (2015) views about its increased efficiency and importance in driving traffic to controlled channels. In fact, most cases (with two outliers) revealed poor strategic nature of social media as a tool for acquiring new users to controlled channels with accompanied values measured being relatively unnoticeable compared to other channels. The cases of outlier in this area might be explained through particular rules used within the industry they operate. For example, JukeDeck positions itself as a music-creation service for videos and requires its customers to give credits to brand in case a music created with a service is used on social media. So, customers being forced to credit the brand in their online creations increase JukeDeck’s brand awareness on social media which leads to higher traffic values acquired through this channel. The same principle applies to the observed variety in use intensity and relative efficiency of other channels such as email and search engines. Half cases were engaged into search engine marketing and subsequently for them this channel was found to be effective in
acquiring visitors for brand’s websites. For this reason no clear indication can be made regarding search engine marketing being efficient for branding purposes as it too strongly relates to the industry a company operates in. This might partly contradict the views outlined by Ghose & Yang (2009) and Baye (et al., 2014). Furthermore, email channel was also observed to be used inconsistently across cases and can be arguably considered as unimportant for tech companies as most cases including those utilizing it in some manner underused it for branding purposes. This directly contradicts suggestions of Simmons (2007) and Merisavo & Raulas (2004) who argue about the strategic importance of this channel. However, this element also tightly linked to strategic decisions made on the part of customer engagement area. For example, both YPlan and Frame.io followed the theoretical propositions found by Simmons (et. al, 2010) and integrated their branded content into news lettering and personalized marketing messages sent to customers thus were observed to get a higher performance on this channel with a wide margin compared to most cases.

5.3. Limitations

A set of a case studies with a further comparison has been conducted for the research. It is important to outline observed contradictions between those cases in respect to researched business model elements. An inconsistencies spotted can derive from the numerous amount of possible branding practices and subsequent marketing executions of a positioning strategy elaborated previously. In addition to that the diverse nature of the media technology industry within which startups operate and specifications of products or services they produce influence business models of those companies and formulate their approaches toward competitive advantage. For example GitLab is a company based on an open-source project and has 4 different product offerings ranging from commercial application to a community-driven project. This means that company might be limited in its corporate interest on competitive advantage and subsequently trade-off particular branding actions and adjust its strategy accordingly to the choices made. Furthermore, limitations are introduced due to geographical and cultural aspects because differences in those categories might affect startups in their business model development process. For example, Yik Yak which is is targeting only US based english-speaking customers would surely miss the
architectural type of personalization achieved by internationalization on its platform because of the absence of its necessity. Further research should be aimed at accounting those cultural and geographical differences. Furthermore channels might be one of the business model elements hard to analyze as isolated elements within an online brand building perspective. Consequently a customer-centric perspective taken in the present research might also be described as a limitation for two reasons. First, customers might experience different branding features of technology startups in online environment from those observed in the current research. For example startups that were found to engage and provide customer support on social media did so in a public observable manner through commenting, but researcher might not be sure about the amount and intensity of private conversations held by the brand. Second, many branding efforts as it was described in the theoretical parts might also be addressing internal processes of a company which take place offline and in new media environment. This as a consequence might also influence external branding practices observed in this research.

In conclusion it is possible to state that media technology industries proliferate rampantly which increases the value of the current research but also requires additional research investigations to be done. The findings outlined in this paper should be relevant and helpful for early stage media technology startups looking for improving their strategic position with the help of branding incentives in online environment. With the rising role of customers in the media tech industries startups should place greater importance on differentiation and focus on additional areas that can generate value for the customers online. In order to do so young tech ventures have to innovate their business models through a brand differentiation perspective working towards establishing coherent online brand identity and customer engagement accompanied with innovate use of technologies for their branding purposes.
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