BRAND BUILDING IN STARTUPS
BEST PRACTICES AND INFLUENCE ON ANGEL INVESTOR DECISION-MAKING

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Author: Aapo Reuter
Discipline: Entrepreneurship
Supervisor: Mari Suoranta

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UNIVERSITY OF JYVÄSKYLÄ

ABSTRACT

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Aapo Reuter

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Abstract

Startup companies are important creators of new jobs and technological innovation, but too many of them fail before reaching substantial growth. The reasons for failure are many but a strong corporate brand has been shown to protect against a number of them. Despite the potential benefits, many startup founders are not building their brands because they are lacking the required knowledge for efficient brand building on a low budget. A number of previous studies about brand building in small businesses have called for the development of practical guidelines and pointed out a need for further research on the topic.

The following study addresses the research gap by exploring the best practices of brand building in startups. It also demonstrates that a strong corporate brand can help startups in securing investment by positively influencing the intuitive decision-making of angel investors. The data was gathered both by reviewing the existing academic literature and through a qualitative case study in which thematic interviews were conducted with seven marketing professionals, two startup founders and two angel investors.

The results suggest that by adopting a holistic approach to brand building and by following a set of basic principles described in this study, startups can build their corporate brand using creativity and time instead of money. The study also found that the corporate brand influences angel investor’s subjective evaluation of the startup directly through the corporate image and indirectly through the qualities of the founding team. A coherently built corporate brand increases the founding team’s passion, credibility, and trustworthiness, all of which are qualities highly valued by angel investors.

This study benefits startups by clarifying the basic concepts of corporate branding and offering actionable advice for brand building in practice. The most significant theoretical contribution of this study is the development of the framework that demonstrates the corporate brand’s subconscious influence on angel investor’s intuitive decision-making. To the authors best knowledge, no previous attempt has been made in connecting branding literature with venture funding studies in this manner. Therefore, this study pioneered a new avenue for future research into brand’s influence on investment decisions.

Keywords
Corporate brand, Startup, SME branding, Angel investor decision-making, intuition

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TIIVISTELMÄ

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Aapo Reuter</td></tr>
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<tr><td colspan="2">Abstrakti
Startup-yritykset ovat tärkeitä uusien työpaikkojen ja innovaatioiden synnyttäjiä. Monet niistä kuitenkin kaatuvat ennen merkittävän kasvun saavuttamista. Syitä epäonnistumisen on monia, mutta vahvan yritysbrändin on osoitettu suojelevan niistä usealta. Mahdollisista hyödyistä huolimatta useat startup-yrittäjät eivät rakenna brändejään, koska heiltä puuttuu tarvittava tieto tehokkaaseen brändin rakentamiseen pienellä budjetilla. Useat tutkimukset pienyritysten brändin rakentamisesta ovat sekä osoittaneet tarvetta jatkotutkimukselle että peräänkuuluttaneet käytännön ohjeistusten laatimista.
Tämä tutkimus vastaa tarpeeseen kuvailemalla yritysbrändin rakentamisen parhaita käytänteitä startup-yrityksissä. Se myös osoittaa, että vahva yritysbrändi vaikuttaa positiivisesti enkelisijoittajien intuitiiviseen päätöksentekoon ja siten auttaa startupeja pääoman keräämisessä. Tutkimuksen aineisto kerättiin sekä kirjallisuuskatsauksella että laadullisella tapaustutkimuksella, jossa haastateltiin kuutta markkinoinnin ammattilaista, kahta startup-yrittäjää sekä kahta enkelisijoittajaa.
Tulokset osoittavat että ottamalla kokonaisvaltaisen otteen brändin rakentamiseen ja seuraamalla tässä tutkimuksessa kuvattuja periaatteita, startup-yritykset pystyvät rakentamaan yritysbrändiään käyttämällä rahan sijaan luovuutta ja aikaa. Tutkimus osoittaa myös, että yritysbrändi vaikuttaa enkelisijoittajien subjektiiviseen arvioon startupista suoraan mielikuvan kautta sekä epäsuorasti perustajatiimin ominaisuuksien kautta. Eheästi rakennettu yritysbrändi lisää tiimin intohimoa, uskottavuutta sekä luotettavuutta, jotka kaikki ovat enkelisijoittajien korkeasti arvostamia piirteitä.
Tämä työ hyödyttää startup-yrityksiä selventämällä yritysbrändäyksen peruskäsitteitä, sekä tarjoamalla suoria neuvoja brändin rakentamiseen käytännössä. Tutkimuksen merkittävin teoreettinen kontribuutio on siinä luotu viitekehys, joka osoittaa yritysbrändin vaikutuksen enkelisijoittajan intuitiiviseen päätöksentekoon. Aiemmissa tutkimuksissa ei ole vastaavalla tavalla yhdistetty brändikirjallisuutta yritysrahoituksen tutkimukseen. Tämä tutkielma avaa tietä uudelle tutkimuksen suunnalle brändin vaikutuksesta sijoituspäätöksiin.</td></tr>
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Yritysbrändi, startup, pk-yrityksen brändäys, enkelisijoittajan päätöksenteko, intuitio</td></tr>
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1 INTRODUCTION

1.1 Background of the study

The vast majority of academics and practitioners alike, would consider the phrase *"corporate branding of startups"* equally absurd as *"the rocket propulsion of bicycles"*. This is because traditionally corporate branding has been studied in the context of large companies and only during the last 15 years has some pioneering research emerged into brand building in small businesses. The main contributions of the recent literature are that it has demonstrated the value of brand building for small businesses and drawn attention to the evident gap in branding research. This study intends to shed light in the research gap by studying the best practices of brand building in newly created startups. The second aim of this study is to explore uncharted academic waters by investigating how the corporate brand of a startup influences the decision-making of angel investors. As a master student majoring in entrepreneurship I consider this topic both academically relevant and conveniently supportive for any personal business ventures I might embark on in the future. In other words, the topic provides a perfect balance of academic abstraction and practical applicability.

What makes the subject especially relevant is its connection to the current issues in European economy. 99% of businesses in the EU are small and medium sized enterprises (SMEs) that have created during the last five years 85% of new jobs and provided 66% of the total employment in the private sector (European Commission, 2019). It is safe to say the SMEs form the backbone of European economy, but when we dig deeper into the statistics, it gets even more interesting. According to a 2017 report of the Research Institute of the Finnish Economy (Etla), a small group of growth companies representing 0,3% of the whole private sector, were responsible for nearly a third of all the newly created jobs in the country (Helaniemi, Kuronen & Väkeväinen, 2018). This means that while SMEs in general are important job creators, it is the small startups that grew into high growth scaleups, that contribute a disproportionately large share of new jobs. These numbers show that the success of startups is not only about introducing new technologies or disrupting inefficient markets, but it is also a matter of national welfare.

Sadly however, the reality is that during the first three years of operations only about 6-7% of the startups will achieve moderate growth and 20% will fail and vanish completely from the market (Helaniemi et al. 2018). Startups fail for a multitude of reasons, and weak branding is only one of them, but because the corporate brand influences so many of the new venture's success factors it deserves some special attention. Rode and Vallaster (2005) note that small firms pay very little attention to brand management in their daily operations and Merrilees (2007) further raises concerns by pointing out how few of the entrepreneurs understand the importance of basic branding concepts. Ojasalo et al. 2008 connect the entrepreneurs' narrow interpretation of branding to the general lack of know-how and limited resources. In the light of previous research, we can say that there is a lot of improvement to be made in developing the brand building capabilities of startup companies.

Despite all the challenges that startups experience with brand building, there are also a lot of exciting opportunities originating from the special characteristics of startup companies. Because startup companies literally start up from nothing, they also carry no burden of previous reputation or brand heritage. This means that the corporate brand of a startup is like a blank canvas that can still be flexibly moulded to fit the markets' preferences. Through deliberate branding efforts, startups can communicate their purpose and value proposition more effectively to the customers and achieve a competitive advantage by differentiating them from other companies offering similar products and services. A convincing brand identity will also inspire trust in investors, which means that a well-branded startup has better chances of receiving early risk investment than a startup with a vague and incoherent identity. The importance of a strong brand is emphasized in the seed funding phase where the financial track-record is yet to be established and the investor's gut feeling play a major role in the decision-making process. My main interest lays precisely in how new startups could build a convincing corporate brand that delivers a strong enough emotional impact for securing the angel funding they need to fuel their early growth.

1.2 Delimitations

Unlike the studies of product branding, that have roots in marketing discipline, the study of corporate branding has its multidisciplinary origins in management, marketing and communications disciplines (Ahonen, 2008). This research explores how corporate brand building in startups could facilitate their fund raising from angel investors. Besides its primary contribution to the branding literature, this research adds new knowledge to the aforementioned fields of management, marketing and communications, as well as venture funding and SME studies.

The research will take an external view on startup branding by studying the methods that Finnish marketing agencies are using to develop the corporate brands of startups. This view will be augmented by the perspectives of startup founders to understand the practical brand implementation processes happening inside the company.

From the three main branches of branding studies this research is focused on corporate branding, leaving out the aspects of product- and service branding. Corporate branding is defined as "a systematically planned and implemented process of creating and maintaining a favourable image and consequently a favourable reputation for the company as a whole by sending signals to all stakeholders and by managing behaviour, communication, and symbolism" (Einwiller & Will, 2002, p. 101)

This study leaves out of it the large established companies and focuses on small and medium sized enterprises (SMEs) in general, and on startups in particular. The reason for this delimitation is that SMEs and startups require a different approach to corporate branding than what is traditionally applied to large established companies (Rode & Vallaster, 2005). A SME is defined by the European Commission as a company that employs fewer than 250 people, has an annual turnover of less than 50 million euros and has an annual balance sheet total of less than EUR 43 million euros (European Commission, 2015). The vast majority of startups fall into the category of SMEs, but not all SMEs are startups.

The most commonly used definition for a startup is created by Steve Blank and it goes as follows: "A startup is a temporary organization in search of a scalable, repeatable, profitable business model" (Blank & Dorf, 2012, p. 3) In practice this means that startups are newly formed companies that have an idea but haven't found their business model yet. After a startup has found its business model and enters the stage of early growth, it is called a scale-up. The research focuses on companies from pre-establishment up until their early growth stage. This is because during the following stage of effective growth the company has already established a corporate brand and therefore the focus shifts from brand building to brand management (Juntunen, Saraniemi, Halttu, & Tähtinen, 2010).

In the context of venture funding the focus will be on business angels instead of venture capital fund managers. Angel investors are defined as wealthy individuals who are not full-time investors but provide the very early stage companies with financing and entrepreneurial advice (Elitzur & Gavious, 2003). This delimitation is firstly due to the proportionately higher importance of business angel funding for the early stage startups (Ali-Yrkkö, Pajarinen, & Ylhäinen, 2019). And secondly because the emotionally influenced intuitive decision-making, characteristic to angel investors, provides a more fruitful subject to study in the context of branding than the more analytical approach taken by VC fund managers (Osnabrugge, 2000).

1.3 Relevance

In their extensive literature review on brand building in the context of small business, Odoom, Narteh & Boateng (2017) noted that although more than a decade has passed since the seminal paper of Abimbola (2001) marked beginning of this field of research, there still exists a significant lag in studies regarding the topic. A similar observation was made already by Rode and Vallaster (2005) who found that SME branding is a very little researched area, although its components in corporate communication and branding, as well as entrepreneurship and new venture development enjoy a strong presence in academic literature. Most of the branding research has focused solely on large established companies, leaving SMEs and new ventures in the academic periphery (Centeno, Hart, & Dinnie, 2013; Krake, 2005; Merrilees, 2007). Branding is generally considered as something expensive that only large companies do and as Merrilees (2007) points out, the concept of small business branding is considered somewhat of an oxymoron.

Despite the crucial role that branding plays in the survival of startups (Bresciani & Eppler, 2010), many of the startup founders pay very little or no attention at all to brand management in their daily operations (Krake, 2005). This is either due to lack of time (Wong & Merrilees, 2005), not being aware of the concept of brand management (Krake, 2005), limited understanding of the benefits of branding (Hirvonen & Laukkanen, 2014) or not considering that they would be a brand in the first place (Merrilees, 2007). However, Wong & Merrilees (2005) add that many SMEs acknowledge the importance of branding and would be interested in brand building activities once the company grows and when they would have more time. The problem of many startups missing the benefits of branding due to the lack of knowledge, time or resources, calls for the development of clear practical guidelines for low budget brand building in SMEs (Ojasalo, Nätti, & Olkkonen, 2008). Unfortunately such guidelines are a rare find even in the growing field of SME branding literature and their development is often called for by the academics (Juntunen et al., 2010; Merrilees, 2007; Ojasalo et al., 2008). This research attempts to address the problem by collecting the guidelines found in extant literature and enriching them with practical insights from startup founders and marketing professionals working in the field.

The angel investment aspect of new venture development forms the second foundational pillar of this research. Traditionally the topic of angel investment has been viewed as a strictly economic activity based on rational analysis (Maxwell, Jeffrey, & Lévesque, 2011; Osnabrugge & Robinson, 2000) where business plans are scrutinized, growth is estimated and risks are weighed against rewards (Mason & Stark, 2004; Maxwell et al., 2011). This traditional view has been challenged by some of the more recent research that has emphasized the softer aspects of investment opportunity evaluation like the characteristics of the founding team and the role of expressed entrepreneurial passion (Cardon, Sudek, & Mitteness, 2009; Chen, Yao, & Kotha, 2009). An emerging area of research has turned the focus on the intuitive decision-making of angel investors, suggesting that there are many more factors subconsciously influencing the investor's gut feeling, than what was previously assumed (Huang, 2018; Huang & Pearce, 2015). In their recent article about the role of emotions in angel investor decision-making, Snellman & Cacciotti (2019) acknowledge this research gap and demonstrate that the investment process is greatly influenced by both emotional and social factors alike. This study builds on the existing research by proposing a new understanding of how the intuitive decision-making of angel investors might be subconsciously influenced by the corporate brand of a startup.

1.4 Research aims and questions

The famous American entrepreneur and venture capitalist Peter Thiel, says that whenever he interviews someone for a job, he likes to ask them the following question: What important truth do very few people agree with you on? (Thiel & Masters, 2014; p.5) This question probes for alternative perspectives on widely accepted beliefs and offers a fantastic starting point for a research into previously uncharted territory. This study set off to challenge the commonly held beliefs that brand building is only possible for large corporations with extensive marketing budgets and that angel investment decisions are based on rational analysis, completely uninfluenced by such 'superficial' things as the brand. This research argues that the truth is very much the opposite. It suggests that, provided with the right tools, startups can leverage their innovativeness and flexibility to build their brands more efficiently than large companies. It also argues that the seemingly rational angel investment decisions are greatly influenced by subconscious factors originating from the startup's corporate brand.

This study aims to provide the basic knowledge and the best practices for brand building in startups. It also aims to demonstrate the corporate brand's influence on angel investor decision-making by establishing a theoretical link between venture funding research and the studies of SME branding. To reach these aims the following research questions have been formulated:

RQ1: What are the best practices of brand building in startups?
RQ2: What is the process of corporate branding in startups?
RQ3: How does a startup's corporate brand influence angel investment decisions?

These questions will be answered by completing the following three objectives. The first objective is to conduct a series of thematic interviews to gather insights from marketing professionals, startup founders and angel investors. The second objective is to contextualize the empirical data with a review of the recent literature and to create an empirically grounded framework for brand building in startups. The third objective is to combine the theory and findings to demonstrate the connection between angel investor decision-making and corporate branding.

1.5 Structure of the study

The structure of this study consists of eight distinct chapters. The first chapter presents the background of the study, explains the author's motivation for conducting it and acknowledges the evident research gap surrounding the subject. It also presents the research questions and sets the scope of the study. The second chapter lays the foundations by reviewing the most relevant literature in the fields of corporate branding and SME brand management. It defines the core concepts needed for understanding the topic and highlights the numerous benefits a startup can gain from building a strong brand. The first chapter ends by presenting the SME brand building process as it is described in the academic literature. The third chapter reviews the literature on venture funding and angel investor decision-making. It starts by presenting the characteristics and motivations of angel investors and moves on describing the process of intuitive decision-making required to cope with the uncertainty of the startup investment context. The fourth chapter summarises the literature review and connects the effects of corporate branding with angel investor decision-making process to establish the causal link proposed by this study. The fifth chapter introduces the qualitative research methods and abductive case study approach used in the study. The chapter also presents the people who were interviewed for this research and explains the data collection and analysis processes. The sixth chapter presents the empirical findings from the interviews, organized in relevant categories, and supported with illustrative direct quotes. The seventh chapter discusses these findings in the context of the theoretical framework to provide answers for the research questions. This chapter also discusses the theoretical and practical implications of the study and suggests ideas for future research. Most importantly the discussion chapter also presents the list of practical guidelines developed to support startup founders in their brand building activities. Chapter eight concludes the research by summarizing the most important contributions of the study and underlining their significance.

2 BRAND BUILDING IN STARTUPS

2.1 Corporate Brand

When talking about brands it is necessary to distinguish the concept of corporate brand from the more commonly discussed product brand. According to Hatch and Schultz (2003) the product brands build relationships between the product and the customer, whereas the corporate brands represent the company to all its stakeholders including employees and investors. Their research highlights that as a strategic level affair, corporate branding extends beyond short term tactics of the marketing department and requires long term engagement from the company as a whole. (Hatch & Schultz, 2003)

In a notable study on corporate branding in startups, Rode and Vallaster (2005) define the corporate brand as the sum of corporate identity and corporate image, referring to the unique set of characteristics that the organization reinforces in every touch point with its external stakeholders. Witt and Rode (2005) add that ideally the startup would succeed in building the brand and communicating it to the external stakeholders so well that ultimately its identity and image would be almost to identical. The figure 1 below illustrates the holistic nature of corporate brand in more detail.

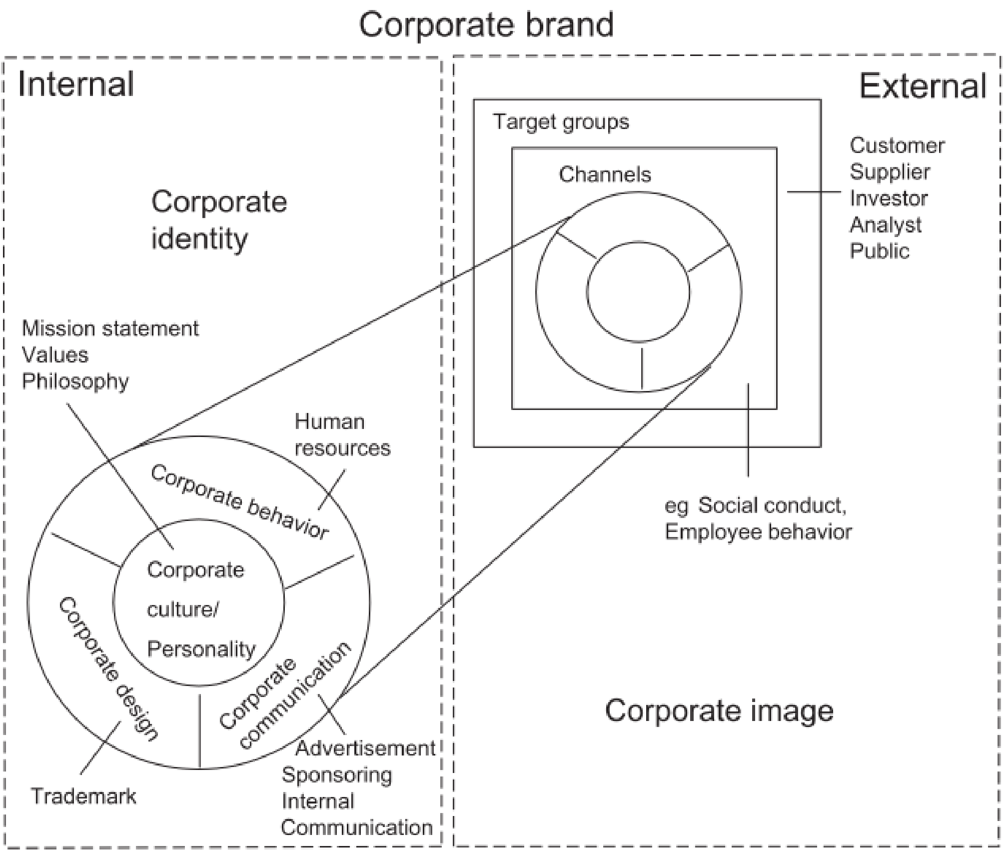

Figure 1 Elements of the corporate brand (Rode & Vallaster, 2005, p.123)

"While a brand image is how a corporate brand is perceived, the corporate identity is aspirational - how the brand would like to be perceived." (Aaker, 1996) According to the model for brand building in startups, developed by Rode and Vallaster (2005), the four main elements of corporate identity are the corporate culture, corporate behaviour, corporate design and corporate communications. Corporate culture forms the nucleus of corporate identity and it contains the business concept, mission statement, philosophy and the core values (Rode & Vallaster, 2005) as well as the stories that inspire appropriate attitudes and valued behaviour inside the organization (Hatch & Schultz, 2003; Rode & Vallaster, 2005). Corporate design covers the name, visual identity, slogans and other artistic aspects related to the corporate brand. The areas of corporate design don't only have to be in perfect harmony among each other, but they also need to align with the rest of the identity elements to create a coherent corporate brand (Rode & Vallaster, 2005). Corporate behaviour refers to the management of human resource processes in a manner consistent with the corporate identity. This element covers the processes of recruiting and employee empowerment. Rode and Vallaster (2005) argue that because for small startups the people are the brand and the brand is the people, they should carefully select candidates who share the values and vision of the company. Corporate communication is the element that directly links both to the internal and external sides of the company. External communication consists of advertising, public relations and stakeholder communication whereas the internal communication refers to all the verbal or written communication happening inside the company. (Rode & Vallaster, 2005)

These corporate identity elements need to be dynamically developed together (Hatch & Schultz, 2003) and consistently communicated to effectively form a clear and differentiated image in the minds of the external stakeholders (Juntunen et al., 2010; Rode & Vallaster, 2005). Juntunen, Saraniemi and Halttu (2010) discovered in their empirical study of the SME brand building process that the corporate identity is formed in the early stages of company development but instead of being consciously created it rather tends to form on its own.

Corporate image is the external counterpart of the corporate identity and it is described as the general image of the company in the minds of external stakeholders, such as customers, investors, journalists, analysts, suppliers and the general public. (Hatch & Schultz, 2001; Witt & Rode, 2005) The brand associations that form part of the corporate image, operate mostly at a subconscious level (Boyle, 2003) and are often difficult to verbalize (Sinek, 2009). According to Rode and Vallaster (2005) the corporate image is formed in an interaction with the target audience and the traditional building methods include external communication, customer relationship programs and sponsoring activities directed to the stakeholders.

Witt and Rode (2005) studied the causal relation between corporate identity and corporate image in German startups and discovered that companies can indirectly influence their corporate image by building an internal corporate identity that supports the aspired external image. They noted that although this indirect influence has not previously been well researched, its influence on image formation is at least as strong as the one of traditional direct communications. Both Witt and Rode (2005) as well as Juntunen et al. (2010) agree on the significant role the employees play in transmitting the corporate identity into the corporate image through their behaviour and relations with the external stakeholders (Harris & de Chernatony, 2001; Hatch & Schultz, 2003). In a study about the role of aesthetic capital in Finnish society, Kukkonen, Pajunen, Sarpila and Åberg (2019) describe how physical appearance of employees is used in reinforcing stakeholder relations, creating professional credibility and building trust. The linking of the corporate identity with corporate image through employees further emphasizes the role of internal branding in startups (Krake, 2005; Witt & Rode, 2005) The causal relations in branding process are illustrated in the figure 2 below.

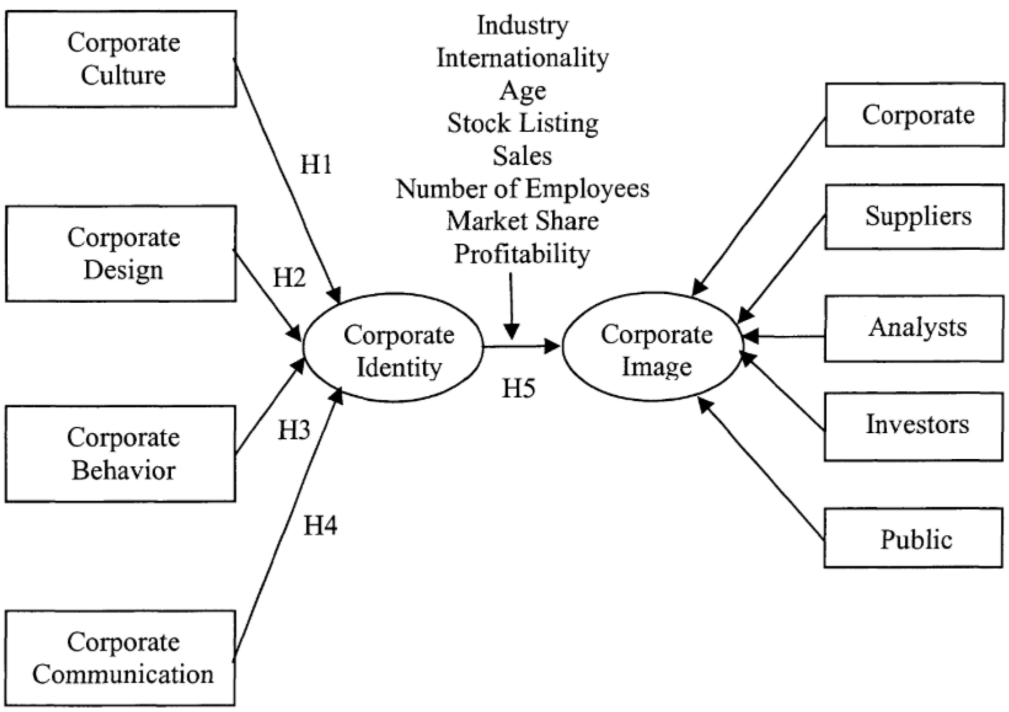

Figure 2 Model of the brand building process in start-ups (Witt & Rode, 2005, p.282)

The purpose of corporate brand is to rally relevant stakeholders around recognizable symbols and values that set the company apart from its competition. The emphasis is on creating a sense of belonging among employees and external stakeholders by offering symbols that enable them to express their personal values and desires through their affiliation to the company. This attraction to the corporate brand will inspire, among other things, the investment decisions as described in Figure 3.

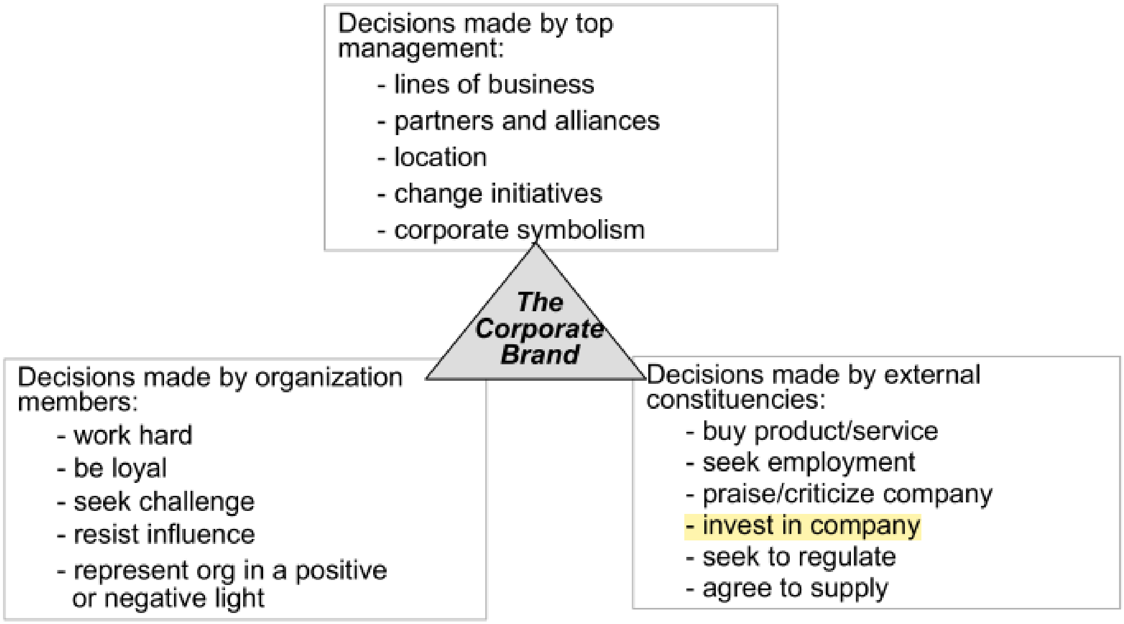

Figure 3: Key decisions inspired by a successful corporate brand (Hatch & Schultz, 2003, p.8)

In his book, Start With Why, Sinek (2009) explores the leadership practices of purpose-driven entrepreneurs, innovators and cultural influencers, developing a strategic management model that is widely cited by the brand building practitioners of today. To supplement the theoretical research with a more practice-oriented perspective on brand building it is worthwhile exploring closer the Golden Circle -model of Sinek (2009) presented in the figure 4 below.

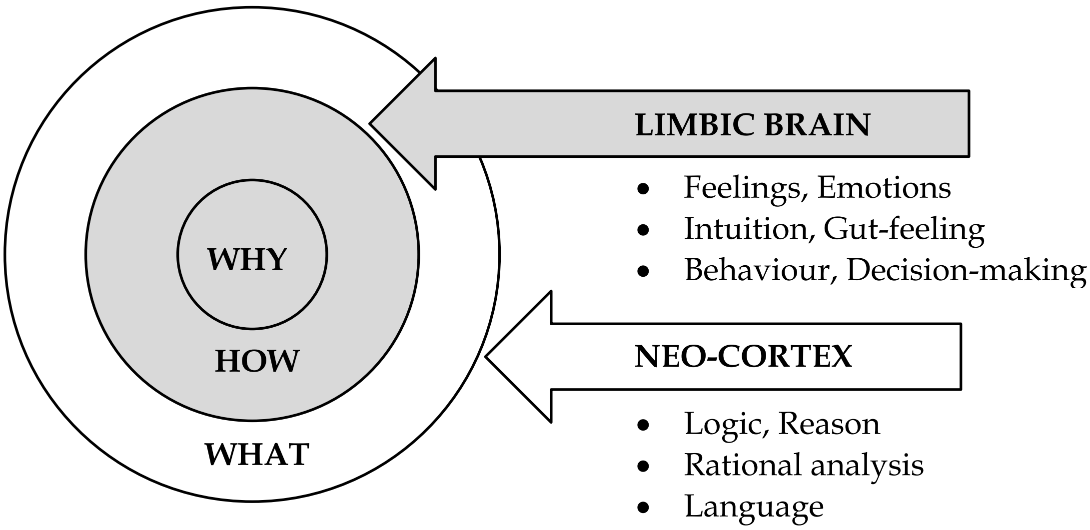

Figure 4 The Golden Circle (Sinek, 2009, p.56)

The model consists of three main elements which are explained here in detail:

- WHY: The company's reason of existence, its purpose, cause or core belief.
- HOW: Describes how the company is different in producing its products or services. The company's value proposition, unique selling proposition or proprietary process that sets it apart from others.
- WHAT: Describes what the company does, its products and services.

According to Sinek (2009) companies traditionally build their communication and culture starting from what they do, sometimes elaborating how they do it but only rarely being conscious of their purpose or the "why" behind the company. In his study of companies that successfully inspire loyalty and trust, he observed that the one element they all have in common was that they always communicate from inside out, starting with why. An illustrative example of this approach in practice is the following description of Apple Inc.:

> *''In everything we do, we believe in challenging the status quo. We believe in thinking differently… The way we challenge the status quo is by making our products beautifully designed, simple to use and user-friendly. And we happen to make great computers" – Sinek (2009, p.41)*

The organizations that succeed in engaging their stakeholders on an emotional level by clearly communicating their WHY, are the ones that inspire a strong sense of belonging and loyalty beyond reason. These mechanisms are deeply rooted in the evolution and anatomy of human brain (Sinek, 2009).

The limbic brain is the oldest part of our brain and produces emotions like trust and loyalty. Corresponding with the WHY and HOW parts of the model it is responsible for our behaviour and decision-making. Because the limbic brain has no capacity for language, it is often difficult to verbalise the gut-feelings and subconscious intuitions. The more recently developed neocortex is the part of the brain responsible for language and rational thought, corresponding with the WHAT part of the model. It is here that we logically analyse features, facts and figures but according to Sinek (2009) these rational functions are secondary when it comes to driving behaviour and influencing decision-making. In summary this means we tend to make our decisions based on emotional factors, WHY and HOW, but we later rationalize them using logical WHAT-factors. (Sinek, 2009)

2.2 SME Branding

Traditionally brand building has been studied in the context of large multinational companies (MNCs) but since the original call for studies into SME branding by Abimbola (2001) the amount of published research on the topic has been steadily growing. Compared to established companies, new ventures have a different set of needs mainly due to the lack of resources (Abimbola & Vallaster, 2007; Wong & Merrilees, 2005) as well as lack of processes and internal structures (Bresciani & Eppler, 2010; Rode & Vallaster, 2005). These specific needs call for branding practices drastically different from the ones used in large established companies (Abimbola, 2001; Bresciani & Eppler, 2010; Krake, 2005; Wong & Merrilees, 2005).

Despite the obvious limitations, small companies can have an advantage in brand building by drawing on the founding team's inventiveness (Abimbola, 2001) and creativity that is often increased due to the lack of resources (Centeno et al., 2013) Also the smallness of the company makes it more responsive and flexible (Krake, 2005) and better suited for applying the more resource efficient, holistic brand management approach. According to Abimbola (2001) the key to overcoming the challenges is in understanding the principles of branding, planning the actions well and organizing the whole company to further the brand building efforts. The limited resources allow only a narrow margin of error (Abimbola, 2001) so the startups need to develop creative, targeted and affordable branding methods (Ojasalo et al., 2008) that directly demonstrate the value they can provide to their customers (Wong & Merrilees, 2005).

2.3 Benefits of Corporate Branding

Merrilees (2007) study how brand building can facilitate the development of new ventures and proposes a number of key mechanisms through which a small business can benefit from brand building. Firstly, a well-defined corporate brand can serve as a focusing tool for the innovation and creative activities of the company. By helping the entrepreneur in choosing which innovations should be pursued, a clear corporate brand can save the startup's limited resources. (Merrilees, 2007) Agreeing with the previous, Abimbola (2001) adds that a startup that is backed by a strong corporate brand can more easily afford the risks associated with the introduction of highly innovative products to the market.

Merrilees (2007) suggests that as a set of focusing tools, the brand building principles can be used to sharpen the process of business model formulation. This clarity can be further translated into a better structured business plan, which in turn increases the chances of capital acquisition from investors. (Merrilees, 2007) This is supported by Witt & Rode (2005) who state that a startup's unique and clearly defined corporate design can help the founders in communicating better their values and competitive advantage to the potential investors. Consequently a positive corporate image improves the investor's evaluation of the venture and enables the founders to negotiate more favourable deals, thus not only increasing the access but also reducing the cost of capital for the startup (Hustedde & Pulver, 1992; Moro, Fink, & Kautonen, 2014)

Similarly to how the brand can increase the company's credibility in the eyes of investors, it can also help accessing suppliers in the early stages of the venture (Merrilees, 2007). Branding can be considered crucially important for the customer acquisition of a newly established company (Boyle, 2003; Bresciani & Eppler, 2010) and continues to be an important contributor to developing customer loyalty throughout the later stages (Bresciani & Eppler, 2010; Merrilees, 2007). Another important benefit, especially for startups operating in the consumer markets, is that a strong corporate brand increases the perceived value (Abimbola, 2001) of the company's products and services which in turn justifies premium pricing (Riezebos, 2003). Strong corporate brands induce feelings of familiarity and trust towards the entrepreneur and the venture as a whole (Abimbola & Vallaster, 2007; Merrilees, 2007). When the company values are respected and aligned with its culture they will create perceptions of authenticity (Hatch & Schultz, 2001) and credibility in the eyes of the stakeholders (Aaker, 1996) The corporate brand increases the stakeholders' awareness of what are the beliefs the company stands for, enhancing its reputation and attractiveness (Hatch & Schultz, 2003)

Yet another positive effect of a strong brand is that it fortifies the company against copycat competition. A corporate brand is close to impossible for the competitors to copy and thus it provides a solid source of intellectual property that forms a foundation for sustainable growth. (Abimbola, 2001) Lastly, according to Santos & Cardon (2018), the shared identity fostered by a well-built corporate brand leads to the experiencing of team entrepreneurial passion which is positively correlated with new venture team performance. Reversely Powell and Baker (2017) confirm that teams that have incongruent identities are less likely to be successful. The aforementioned benefits of corporate branding can be categorized under four main qualities it promotes. Passion, credibility, trustworthiness and authenticity are all positively affected by a strong corporate brand. These causal links are summarized in Figure 5 below.

<table>
<tr><td rowspan="4">Corporate Brand</td><td>Passion</td><td>• Increases team performance</td></tr>
<tr><td>Credibility</td><td>• Increases access to capital
• Reduces the cost of capital
• Increases access to suppliers
• Attracts customers
• Justifies premium pricing</td></tr>
<tr><td>Trustworthiness</td><td>• Increases customer loyalty
• Improves investor valuation
• Builds reputation & Attractiveness
• Supports risky product launches</td></tr>
<tr><td>Authenticity</td><td>• Enhanced reputation & attraction
• Protects from copycat competition</td></tr>
</table>

Figure 5 The positive effects of corporate branding

2.4 Brand orientation

Many of the academics studying corporate branding in SMEs underline the importance of a holistic approach to SME brand management, also known as brand orientation. In his seminal paper on brand orientation Mats Urde (1999) defines the concept as follows:

> *"An approach in which the processes of the organization revolve around the creation, development, and protection of brand identity in an ongoing interaction with target customers, with the aim of achieving lasting competitive advantages in the form of brands. (Urde, 1999, p.117)*

In brand orientation the integrity of the brand is prioritized over the wants and needs of the customer and the brand is seen as a strategic hub of the company (Urde, Baumgarth, & Merrilees, 2013). Adopting a brand oriented approach will improve a startup's competitive advantage by increasing its brand performance (Hirvonen & Laukkanen, 2014; Wong & Merrilees, 2005) as well as by laying the foundation for developing a strong corporate identity (Hirvonen & Laukkanen, 2014; Urde, 1999). According to Urde et al. (2013) in brand orientation the approach is to build the brand inside-out by focusing on developing the corporate identity instead of the image. Although the brand orientation does not have a direct relevance outside the organization (Hirvonen & Laukkanen, 2014) it does significantly support the indirect translation of the internal corporate identity into the external corporate image (Hirvonen & Laukkanen, 2014; Juntunen et al., 2010). Merrilees (2007) note that due to the high variation of talent and skill among the SME entrepreneurs it should be noted that the brand-oriented approach is most suitable for the more creative and sophisticated entrepreneurs who aim for high performance growth rather than running a more traditional business, in other words, startup founders.

2.5 Founder's role

There is a large body of research underlining the central role of the founder in the corporate branding process of a startup (Abimbola, 2001; Boyle, 2003; Centeno et al., 2013; Krake, 2005; Rode & Vallaster, 2005; Wong & Merrilees, 2005). Not only is the founder directly involved with the processes and activities that contribute to brand creation (Centeno et al., 2013) but often the whole corporate brand is strongly associated with the founder's persona (Centeno et al., 2013; Krake, 2005). A good example of this personification is the case of Dyson vacuum cleaners, covered by Boyle (2003), where the first product of the company got strongly associated with the heroic life story of its inventor. The following press publicity that the company received, demonstrates the power that the founder's personal brand can lend to creating recognition for the corporate brand (Boyle, 2003; Krake, 2005). According to Boyle (2003) brand associations based on founder's personal identification tend to yield more successful brands, but as the company grows the image of the company and the owner usually become separated (Juntunen et al., 2010). Krake (2005) found that besides being the personification of the brand, the entrepreneur is also the source of shared passion for the brand throughout the company. This passion plays a key role in successful brand building and it can be further fostered through effective internal branding (Krake, 2005)

2.6 Pre-establishment stage

Among the research on brand building practices in SMEs, a clear consensus exists about the importance of starting the branding process as early as possible (Bresciani & Eppler, 2010; Juntunen et al., 2010; Merrilees, 2007; Witt & Rode, 2005). The reasons for this are that subsequent changes to the corporate identity in later stages are both difficult (Merrilees, 2007) and expensive (Bresciani & Eppler, 2010). Since the beginning, brand building should be considered a long-term investment (Merrilees, 2007) and it should be prioritized by dedicating a considerable amount of time for it (Wong & Merrilees, 2005).

Juntunen, Saraniemi, Halttu, & Tähtinen (2010) have made a significant contribution to the literature by providing a detailed framework for the brand building process in different stages of a company's growth. These practical guidelines specify the branding procedures and the people involved in each step of the process, offering a comprehensive picture of the actions needed for creating a corporate brand from scratch. The branding process starts already before the company is established and in this stage the entrepreneur will work together with the friends, family and financiers to lay the foundations of corporate brand building. (Juntunen et al., 2010)

2.6.1 Defining corporate culture

According to Rode and Vallaster (2005) the formation of corporate culture begins with answering the following questions: Who are we? Where are we going? What differentiates us from others and what would there be if we did not exist? These questions correspond with the Sinek (2009) Golden Circle levels of WHY and HOW, or the Purpose and Unique Selling Proposition respectively.

Juntunen et al. (2010) point out that once the founders have a clear picture of the business idea, the company structure and its unique characteristics, it is easier to distil the company's essence used in the naming process. Bresciani and Eppler (2010) add that when thinking of the company name it is important to think big and avoid using a highly descriptive name that could become restrictive when the company grows to new markets or pivots. In the beginning the core values of the company strongly resemble those of the lead entrepreneur but early on they should be discussed and defined clearly within the founding team. The set of core values for the company should be specific, positively valued by the target customers (Boyle, 2003) and concretely related to the company's everyday business (Juntunen et al., 2010).

2.6.2 Brand-oriented strategic planning

The brand strategy should be developed in alignment with the main business strategy (Juntunen et al., 2010) and a specific plan for brand building activities should be drafted to implement the strategy (Bresciani & Eppler, 2010). According to Abimbola (2001) the successful implementation of brand strategy relies on coherently integrating the basic branding instruments such as logo, name, symbols and communication, rather than focusing on single instruments like advertising only. When it comes to focusing the scarce branding resources of a startup, Abimbola (2001) and Keller (1998) recommend concentrating either solely on the corporate brand or maximum of two products brands. Merrilees (2007) and Krake (2005) disagree by suggesting a strict focus on building the corporate brand only. The reasons for this are that firstly the corporate brand benefits the entire company by holistically integrating different operations under clear strategic guidelines and secondly, compared to a product brand it influences the whole range of different stakeholders, not only the customers (Merrilees, 2007).

2.6.3 Managing corporate branding relationships

Building press relationships is an important part of the early brand building activities (Juntunen et al., 2010; Merrilees, 2007; Ojasalo et al., 2008) and by leveraging the founder's character and creative flair it is possible to build public relations on a budget (Abimbola, 2001; Krake, 2005). Events should be utilized as promotional opportunities (Bresciani & Eppler, 2010) and the founders could consider organizing seminars on relevant issues, as was suggested by Ojasalo et al. (2010) in their study on branding in software SMEs. One way of coping with the liability of smallness is by linking the startup's brand to bigger and stronger brands through co-branding activities (Juntunen et al., 2010; Krake, 2005; Ojasalo et al., 2008)

2.7 Early growth stage

2.7.1 Creating corporate identity

Juntunen et al. (2010) found in their empirical research on SMEs branding practices that instead of being consciously developed, the corporate identity tends to form on its own from the firm's daily operations. However, they point out that to create a consistent corporate brand, the four identity elements (Culture, Behaviour, Design & Communications) should be deliberately steered towards the wanted brand identity. (Juntunen et al., 2010) Defining the elements should start with corporate culture as it serves as a useful navigation tool that guides the team in forming the rest of the identity elements (Rode & Vallaster, 2005). On the functions relating to corporate behaviour, Rode and Vallaster (2005) make a note about the importance of a careful recruitment process. Besides meeting the qualifications, the employee candidates should have a personality and attitude that match the defined corporate culture. (Rode & Vallaster, 2005) The element of corporate design is documented in a brand book covering guidelines for the use of logo, colours and visual elements that are all designed in line with the with the corporate personality (Bresciani & Eppler, 2010). On this point it is important to gather feedback from the external stakeholders as often the founders are too caught up in the business to see critically how the company presents itself to outside world (Rode & Vallaster, 2005)

2.7.2 Assuring employees involvement

As was mentioned before, the importance of employee involvement in connecting the corporate identity with the corporate image is paramount but often neglected by the startups (Juntunen et al., 2010). Growing a passion for the brand starts from the entrepreneur (Krake, 2005) and then spreads throughout the company via internal culture that encourages the team to "live the brand" every day (Krake, 2005; Wong & Merrilees, 2005). In order to create an authentic external image, the employees need to be empowered to genuinely express the brand values and beliefs in their interactions with the stakeholders (Hatch & Schultz, 2003). The key to developing a strong sense of belonging and employee identification is in creating internal communications and information flows that support the corporate brand. (Rode & Vallaster, 2005)

2.7.3 Creating consistent brand communications

When starting the external communications, it is important focus on one or two main brand associations that will be formulated into the core message (Keller, 1998; Krake, 2005) Once this message is defined it needs to be consistently communicated through all channels and persistently repeated beyond the point of boredom as this is usually when the message starts to be noticed by the target audience (Keller, 1998; Krake, 2005; Wong & Merrilees, 2005)

2.7.4 Monitoring with feedback

Juntunen et al. (2010) underline the importance of constant monitoring of the brand building activities through feedback collected from customers, investors, suppliers and business incubators. Bresciani and Eppler (2010) agree on brand building being an iterative process where the branding strategy is developed through constantly measuring the results of every branding activity.

3 VENTURE FUNDING

Resource acquisition is a theme prominently featured in entrepreneurship literature and the gathering of financial, physical and human resources is regarded as a vital entrepreneurial task (Martens, Jennings, & Jennings, 2007; Plummer, Allison, & Connelly, 2016; Shane, 2003). Especially the acquisition of financial capital is not only enabling the pursuit of recognized opportunities but it is fundamentally important for the survival and growth of a new venture (Brush, Greene, & Hart, 2001; Morrissette, 2007) Traditionally the research on resource acquisition has been divided in two ways of how the founders cope with raising capital, firstly by relying on social networks and secondly through signalling quality of the venture (Martens et al., 2007)

3.1 Angel Investment

An illustrative historical example of an entrepreneur raising capital from a private investor to fund a risky venture is when Christopher Columbus received the much needed investment for his voyage from the Queen Isabella of Spain, a high risk investment in a new venture that proved highly profitable for the Spanish Crown (Avdeitchikova, Landström, & Månsson, 2008). In the modern venture funding context, the wealthy individuals known as business angels are the single most important source of capital for startups (Morrissette, 2007). Angel investment usually happens on early stage when there is only a team with an idea, and it brings the first big money in the venture (Etula, 2015). In their research on the relationship between entrepreneurs and business angels, Elizur and Gavious (2003) define the angels as wealthy individuals who are not full-time investors but provide the very early stage companies with financing and entrepreneurial advice. In his book on angel investment, Lainema (2011) makes the important separation between professional investors and non-professional business angels who he also calls "lifestyle investors". Business angels are usually college-educated men with entrepreneurial or business backgrounds (Morrissette, 2007; Sudek, 2006).

Angel investments are often made on highly innovative ventures with no tangible assets or track record (Lahti, 2011) and no prototype or established markets (Huang & Pearce, 2015). According to Etula (2015) business angels tend to invest 10000-50000€ aiming for extraordinary profits while being fully prepared to lose the whole investment. On average, half of the risk investments fail but one in ten brings back the losses from the failures (Etula, 2015). In a recent study by Snellman and Cacciotti (2019), angel investment is described as a socially embedded, value- and excitement driven effort to support the founding teams the investors believe in. A unique characteristic of angel investment is that because the angels are investing their own money, they can make the investment decisions individually with no need to justify their logic to anyone else (Taylor, 2019). This idea is slightly challenged by Snellman and Cacciotti (2019) who propose that although the angels make their initial evaluations independently, they still seek validation from their social networks and other investors before making the decision.

3.2 Angel investor motivations

> *"A man always has two reasons for doing anything: a good reason and the real reason." – J.P.Morgan*

Although it would be easy to explain angel investing to be strictly high-risk, high-return financial gamble, it seems that much of the motivations lay elsewhere than monetary profits (Etula, 2014, 2015; Sullivan & Miller, 1996; Taylor, 2019) In a recent literature review on the topic of angel investor motivations and decision-making, Taylor (2019) propose that about half of the business angels are motivated by financial return on investment (ROI) and half by social rewards. Some of the social motives include altruistic reasons such as the will to have a positive social or environmental impact and supporting the economic development of the investor's home region (Etula, 2015; Sullivan & Miller, 1996). Lainema (2011) adds that often the angel investors enjoy being able to apply their skills and knowledge into helping other entrepreneurs. The sense of belonging to a group of smart, energetic and fun people was mentioned as a key motivation by various interviewed angels in the study of Lainema (2011).

A number of studies indicate that besides the financial returns, angel investors are also looking for emotional value such as interest and fun, suggesting that the entrepreneurs should adopt a marketing perspective (Sullivan & Miller, 1996) and aim engaging investors on an emotional level (C. Mason & Stark, 2004; Mitteness, Sudek, & Cardon, 2012). In their research on the role of emotions in angel investor decision-making, Snellman and Cacciotti (2019) recognized that discrete emotions such as excitement, passion, trust and fear-of-missing-out, play an important role in opportunity evaluation. So much so that most of the interviewed investors would not continue the screening process if it failed to evoke emotional arousal. Sullivan and Miller (1996) recommend that investors should be viewed as customers with a variety of wants, needs and values they are pursuing through investing activities.

3.3 Uncertainty calls for intuition

"Based on objective and quantifiable information, such as financial statements and market data, almost all entrepreneurial ventures would be considered risky investments that should be avoided." – Huang (2018, p.2)

Huang and Pearce (2015) describe the context of startup investment decisions being characterized by conditions of extreme uncertainty. As a result from the high uncertainty and incomparable information, angel investment decisions are mostly based on intuition (Etula, 2014, 2015; Huang, 2018; Huang & Pearce, 2015; Lainema, 2011; C. M. Mason & Harrison, 1996; Prowse, 1998; Snellman & Cacciotti, 2019). In the process of evaluating startups, angel investors rely on experience-based schemas (Huang & Pearce, 2015), a variety of heuristics, cognitive simplifications and general subjective perceptions to make fast, intuitive decisions (Maxwell et al., 2011; Morrissette, 2007; Osnabrugge & Robinson, 2000). The complex process of intuitive decision making is often referred to as the investor gut feel, which Huang and Pearce (2015) defines as a combination of formal analysis and cognitions on one part and intuition and emotions on the other. Huang and Pearce (2015) found that contrary to the other investment contexts, in angel investment decisions the emotional intuition rules over the rational analysis. This process serves the purpose of emboldening the investor to invest disregarding the risky nature and high likelihood of failure associated with investing in startups. (Huang, 2018)

Because of the inherent complexity of an investment decision it is nearly impossible for the investor to rationally evaluate all the criteria simultaneously (Maxwell et al., 2011). Relying on intuition could provide an advantage by helping to spot anomalies among large amounts of details and thus making the overall decision-making process more effective (Huang, 2018). In must be noted that in contrast with the proposed benefits of intuitive decision-making, Etula (2014) suggests that reliance on intuition could in fact be the central reason for poor results in angel investments.

3.4 Decision-making process

3.4.1 Opportunity evaluation

Before taking a closer look into the criteria influencing the angel investor's decision-making, it is important to acknowledge that the majority of used investment criteria is based on the investor's subjective evaluations (Haines, Madill, & Riding, 2003; C. Mason & Stark, 2004). Snellman and Cacciotti (2019) propose that in order to arrive at an investment decision, the opportunity evaluation process needs to meet three key requirements. First, the investment opportunity needs to get a high score on most of the rational criteria such as the idea, product, entrepreneur, team, market and traction. Second, the rational analysis needs to spark emotional arousal and third, the first two factors need to be supported by investor's social networks. (Snellman & Cacciotti, 2019). Lainema (2011) provides a list of ten most important decision-making criteria in the following order of importance:

SELECTION CRITERIA FOR ANGEL INVESTMENT	
1.	Entrepreneurial passion
2.	Credibility of the entrepreneurs
3.	Revenue potential of the product/service
4.	Competence of the entrepreneurs
5.	Positive impression of entrepreneurs upon meeting
6.	Market growth potential
7.	Quality of the product/service
8.	Estimated return on investment
9.	Market niche
10.	Personal track-record of the founding team

Figure 6 The most important selection criteria of an angel investor (Lainema, 2011, p.94)

Lahti (2008) analysed angel investment activity in Finland and found that the Finnish investors tend to place a stronger importance on the financial criteria and that the rest of the criteria will only matter when the financial viability of the venture is demonstrated. Maxwell et al. (2011) made an interesting observation in their research on angel investors' stated behaviour versus actual behaviour, as they reported that the factors considered critical for evaluating the investment opportunity, were not necessarily used in the final investment decision of the angel investors. They also pointed out that instead of comparing long lists of criteria (Osnabrugge, 2000; Paul, Whittam, & Wyper, 2007; Sudek, 2006) the angel investors used a decision-making heuristic called elimination by aspects where they would choose a single most important criteria, eliminate all options that did not meet it and repeat the process with different criteria until arriving to the final option (Tversky, 1972).

3.4.2 Entrepreneur

"There is no question that irrespective of the horse (product), horse race (market, or odds (financial criteria), it is the jockey (entrepreneur) who fundamentally determines whether the venture capitalist will place a bet at all" – Macmillan, Siegel, & Narasimha (1985, p.119)

Because of the high uncertainty and lack of contractual protection (Lahti, 2011) related to investing in early stage startup, the business angels place a greater importance on the entrepreneur than any other factors (Cardon, Sudek, et al., 2009; Lahti, 2011) Taylor (2019) adds that the business angel's success or failure greatly depends on how precise judgements they can make of the entrepreneur. Huang and Pearce (2015) report that the angel's intuition regarding the entrepreneur rules over poor business viability estimations if they are conflicting in the final investment decision. Another interesting observation by Huang and Pearce (2015) is that the intuitive assessments of the entrepreneur accurately predicts extraordinarily profitable investments. The most important criteria when evaluating the entrepreneur are commitment, passion, trustworthiness, domain expertise and personal track-record (Cardon, Sudek, et al., 2009; Mitteness et al., 2012)

As passion is one of the most important qualities angel investors are looking for in an entrepreneur (Cardon, Sudek, et al., 2009; Hsu, 2007; Snellman & Cacciotti, 2019; Taylor, 2019) it deserves a section of its own. According to Cardon et al. (2009) entrepreneurial passion refers to "consciously accessible intense positive feelings experienced by engagement in entrepreneurial activities associated with roles that are meaningful and salient to the self-identity of the entrepreneur" The experience of entrepreneurial passion can be described as having intense positive feelings towards something profoundly meaningful for the entrepreneur (Cardon, Sudek, et al., 2009) Passion is manifested through animated facial expressions, energetic movements and rich body language (Chen et al., 2009) The displayed passion is used by investors to evaluate entrepreneurs enthusiasm towards the project as well as their preparedness and commitment (Cardon, Sudek, et al., 2009) Mitteness et al. (2012) studied the influence perceived passion has on investors' evaluations of funding potential and how this is modulated by the characteristics of the angels themselves. They found out that angels who are older, motivated by mentoring, have high openness personality or are more intuitive, tend to emphasize entrepreneurial passion in their investment decision (Mitteness et al., 2012).

Some previous studies suggest that when evaluating the creative potential of a pitching applicant, decision-makers use the behavioural, physical and relational cues to match with their pre-existing mental prototypes (Elsbach & Kramer, 2003) Although these prototypes are field specific and not always fully-representative of reality, they are still significant in creating the standards used in social evaluation (Kukkonen, Pajunen, Sarpila, & Åberg, 2019) In his guide to understanding startup culture, Kuusela (2013) explains that the widely established stereotypic image of a startup-founder originates from the Silicon Valley counterculture to conservative corporate cultures of traditional businesses. This entrepreneurial prototype is characterized by overtly relaxed behaviour and casually dressing in hoodies and turtle-neck sweaters even in official contexts such as investor presentations (Kuusela, 2013). It is important to acknowledge these pre-existing mental prototypes of entrepreneurs as they may create unfair advantages to certain parts of population over others. This sort of bias was demonstrated by Brooks et al. (2014) in a series of studies revealing that investors preferred pitches presented by male founders over the presentations of female founders, even when the content of the pitch was identical. The same study revealed that the physical attractiveness of the male founders positively correlated with how persuasive they were in the eyes of the investors (Brooks, Huang, Kearney, & Murray, 2014).

3.4.3 Team

When assessing an investment opportunity, the founding team is on par with the lead entrepreneur in its importance. A large body of research supports the view that the founding team plays a crucial role in the success or failure of the investment (Feeney, Haines, & Riding, 1999; Kaplan & Strömberg, 2003; Mitteness et al., 2012; Sudek, 2006) According to Zacharakis and Shepherd (2001) analysing the team is far more important than analysing the market opportunity. However, an objective analysis of the team is often difficult which results in team evaluations being highly subjective and mostly based on emotions (Landström, 1998) Etula (2014) explores startup valuation from business angel's perspective and proposes the following list of characteristics influencing the team evaluation.

Will	How intensive and for how long has the team been building the company
Competence	Concrete achievements
Courage	How much personal risk are the founders assuming by working with no pay or financing the firm from their own pocket
Connections	How wide and diverse networks the founding team has
Sales-orientation	General attitude towards selling
Coachability	How willing and capable learners the founders are
Trust	Prioritizing the team over individual benefits
Heterogeneity	The team covers most of the required areas of expertise

Figure 7 Team evaluation criteria according to the Etula model (Etula, 2014, p.79)

Sudek (2006) proposes trust, passion, survivability and openness to be the most important qualities in a management team. Trust between the founding team and the investor is mentioned as a fundamental element in the evaluation process (Huang & Pearce, 2015; Osnabrugge & Robinson, 2000; Snellman & Cacciotti, 2019).

The team is not only vital for the success of the venture but it is also the source of social and emotional income for the investor (Morrissette, 2007). Interpersonal chemistry is a key factor in team evaluation (Brooks et al., 2014) as angels rarely get involved in ventures where they don't feel that working with the team is pleasant (Lainema, 2011). Lainema (2011) adds that very few angels want to invest in a team that lacks passion and a clear vision on how they are going to change the world. Etula (2014) notes that a functioning dialog between the team and the investor is an essential requirement for collaboration and it requires alignment of values, attitudes, and beliefs, or in other words, personal chemistry. This need for matching personal chemistries is summarized by Sinek (2009) who states that people will do business with people who believe what they believe.

Zott and Huy (2007) carried out an inductive field research on British startups and discovered that the likelihood of acquiring resources for the new venture was higher if the founders signalled legitimacy by performing symbolic actions. These are actions where the attention is drawn to the meaning of the object rather than the objects intrinsic quality or functional use (Zott & Huy, 2007) To facilitate resource acquisition, founders can engage in four categories of symbolic action:

1. **Entrepreneur's personal credibility:** This category consists of personal capability (diplomas of prestigious business schools), displays of personal attributes linked to existing entrepreneurial prototypes and showing personal commitment to the venture through financial sacrifice and working without pay.
2. **Professional organizing**: Consists of professional structures (company's web site, offices and dress code) and professional processes that conform to the rules of proper business conduct and create an image of a professionally run organization. An example being very rigorous hiring practices that demonstrate the value of working for the company both inside and outside of the organization.
3. **Organizational achievement**: Displaying prototypes, demos or partially working products and appearing more established through conspicuously display of firm age or number of employees.
4. **Quality of stakeholder relationships**: The startup can benefit from being affiliated with prestigious stakeholders by being seen in good company and through the practice of name dropping. Personal attention to stakeholders through gift-giving and appointing honorary titles that display their affiliation are also considered important symbolic actions.

Following along the same lines Witt and Rode (2005) propose six ways through which a startup can directly influence their corporate image specifically among investors: timely communication of strategic measures, regular communication, soon to reach break-even, strict reporting formats and schedules, positive reports on the firm in newspapers and magazines and private contacts between investors and founders**.** Zott and Huy (2007) demonstrate that the founders who engage in the aforementioned symbolic activities skilfully and frequently obtain more resources than the ones that do not. They add that the greater the uncertainty is about the target company, the more important role symbolic management plays in fund raising, which makes it especially important for startups seeking angel investment.

3.4.4 Storytelling

Because the information about the startup's founding team, markets, technology and the operational environment tends to be scarce and insufficient, it is common for the investor to experience cognitive dissonance and feelings of uncertainty (Etula, 2014). However, these challenges of information asymmetry and uncertainty can be tackled by presenting the information regarding the startups identity in a narrative format through storytelling (Shane, 2003). Martens et al. (2007) add that besides lowering the perceptions of uncertainty and risk, effective storytelling can also motivate the investors to provide capital for the venture. Stories can act as meaningful ways for external stakeholders to relate with the company and engaging stories are often retold to others, increasing awareness among the startups audience (Hatch & Schultz, 2003).

In their qualitative research about the effects of storytelling on company's ability to raise capital, Martens et al. (2007) found three ways how entrepreneurial narratives can positively influence the process. Firstly, the stories convey a comprehensible identity of the company. Secondly, they help elaborating the logic behind the firms means to exploit the entrepreneurial opportunities. Thirdly, they place the firm within broader a context and helps in communicating distinctiveness and originality of the venture. Martens et al. (2007) demonstrated that storytelling impacts the resource acquisition process above and beyond the factors previously emphasized in related research.

4 THEORETICAL FRAMEWORK

The literature review presented before provides the theoretical foundation for understanding the phenomena of brand building in SMEs and its connection to venture funding. It defines the core concepts and presents the key models that have been developed about SME brand building so far. The call for the development of practical guidelines is answered here by compiling the main models found in extant literature and summarizing them into one up-to-date framework that can be referenced for startup brand building in practice. Furthermore, the created framework is presented in the context of venture funding to illustrate the corporate brand's influence on angel investor decision-making. To the authors best knowledge, no attempt has been made previously to bridge the research of SME branding with angel investor decision-making process, so drawing a conceptual map to illustrate this connection is seen to be more than appropriate. The purpose of this chapter is to provide research questions with theoretical answers that are later enriched with empirical data. A summary of the literature review is followed by presenting the visualization of the theoretical framework.

The corporate brand is the combination of internal corporate identity built by the company and the external corporate image formed in stakeholder's mind. The brand building process begins by defining the corporate identity which is then consistently communicated to all the external stakeholders whose perception of the brand will ultimately shape the corporate image (Rode & Vallaster, 2005). When the brand is built and communicated properly, the external image is almost identical with the aspired internal identity (Witt & Rode, 2005). The four main elements of corporate identity are culture, design, behaviour and communication. Corporate culture includes the purpose, vision, mission, business concept, philosophy & core values. Corporate design consists of name, slogan, visual identity and artistic aspects of the company. Corporate behaviour refers to the human resources processes and recruiting practices. Corporate communication is the link between internal and external sides of the company. (Rode & Vallaster, 2005)

The corporate image can be influenced either directly through external brand communications or indirectly by building a corporate identity that transmits into corporate image through employee behaviour (Witt & Rode, 2005). Internal brand communications play a key role in cultivating the brand identity inside the company and encouraging on-brand employee behaviour (Juntunen et al., 2010). In Sinek (2009) golden circle -model the core the levels WHY (purpose) and HOW (differentiation) correspond with the concept of corporate brand whereas the WHAT (products & services) level refers to the actual business the company engages in. Clearly communicating the company's brand inspires a sense of belonging, trust and loyalty beyond reason (Sinek, 2009). The purpose of the corporate brand is to rally likeminded people around shared symbols and relatable values that set the company apart from its competition (Sinek, 2009).

Brand building in SMEs differ from large established companies in few important ways. What startups loose by having scarce resources (Abimbola & Vallaster, 2007; Wong & Merrilees, 2005), poorly defined processes and weak internal structures (Bresciani & Eppler, 2010; Rode & Vallaster, 2005), they make up in creativity, inventiveness, responsivity and flexibility (Abimbola, 2001; Centeno et al., 2013; Krake, 2005). The key to successful startup branding is a holistic brand orientation approach which combines brand lead strategy with creative, targeted and affordable branding methods (Abimbola, 2001). In brand orientation approach all the processes of the company revolve around brand identity development in a constant interaction with the customer, aiming for the creation of long-term competitive advantages for the brand (Urde, 1999).

Focusing solely on building the corporate brand (vs. product brands) is advisable for startups because in addition to influencing the customers, the corporate brand also influences investors and other important stakeholders (Krake, 2005; Merrilees, 2007). The brand building process should start as early as possible and it should be considered a long-term investment (Bresciani & Eppler, 2010; Juntunen et al., 2010; Merrilees, 2007; Witt & Rode, 2005). Constant gathering of feedback is an essential part of the process and in the beginning, the main sources of feedback are the founding team's friends, family and financiers (Juntunen et al., 2010). As soon as the startup has its first customers, they should become the central focus of feedback process (Juntunen et al., 2010). According to the framework developed by Juntunen et al. (2010) the brand building process can be divided in two parts with distinct sets of branding actions that are listed below.

Pre-establishment stage:
1. Purpose, vision and mission
2. Business idea, company structure
3. Naming the startup
4. Defining core values
5. Brand oriented strategic planning
6. Building press relationships
7. Co-branding

Early growth stage:
1. Building culture, behaviour, design and communications
2. Recruitment aiming for cultural fit
3. Documenting design guidelines
4. Gathering feedback from external stakeholders
5. Involving the team to create engagement
6. Living the brand to spread passion in the team
7. Creating internal communications that support the brand
8. Creating external communications to transmit the identity into image
9. Monitoring the branding activities with client feedback

Raising early investment capital is fundamentally important for a startup's survival and growth (Brush et al., 2001; Morrissette, 2007). According to Martens et al. (2007), the founders can raise capital mainly through the use of social networks and by signalling the quality of the venture. Usually the first big money to the company comes in the form of angel investment from wealthy individuals who are primarily motivated by factors other than the financial profit (Etula, 2015). Angel motivations include social and altruistic goals such as supporting an important cause or belonging to a group of likeminded people (Lainema, 2011). Also emotions like excitement, passion and trust are a central part of the angel investor's decision-making process (Snellman & Cacciotti, 2019). For this reason, the founders seeking investment are encouraged to adopt a marketing approach (Sullivan & Miller, 1996) and engage the angels on an emotional level (Mason & Stark, 2004; Mitteness et al., 2012). Business angels should be considered as customers with distinct wants, needs and values they are pursuing through their investing activities (Sullivan & Miller, 1996).

Startup investing is characterized by extreme uncertainty and scarce information, which leads investors to rely on intuitive decision-making and investor gut feel (Etula, 2014, 2015; Huang, 2018; Huang & Pearce, 2015; Lainema, 2011; C. M. Mason & Harrison, 1996; Prowse, 1998; Snellman & Cacciotti, 2019). Gut feel is a process combining logical analysis with emotional intuition (Huang & Pearce, 2015) and it emboldens business angels to make risky investments (Huang, 2018). According to Snellman and Cacciotti (2019) the angel investor goes through a three-stage process before arriving at an investment decision. First the opportunity needs to score high on most of the rational criteria. Secondly the opportunity needs to spark a positive emotion and thirdly the first two factors need to be supported by trusted individuals in the investor's social networks. (Snellman & Cacciotti, 2019)

The top five decision-making criteria for angel investors are: entrepreneurial passion, credibility of the founders, revenue potential, competence of the founders and a positive impression of the founding team upon meeting (Lainema, 2011). The focus in investment opportunity evaluation is on the entrepreneur (Cardon, Sudek, et al., 2009; Lahti, 2011) and a good feeling about the founder overrides bad business viability estimations (Huang & Pearce, 2015). Entrepreneurial passion is the single most important quality the angel investors are looking for (Cardon, Sudek, et al., 2009; Hsu, 2007; Snellman & Cacciotti, 2019; Taylor, 2019) and it originates from a founding team that considers their venture personally deeply meaningful (Cardon, Sudek, et al., 2009). The displayed passion is used as a measure of enthusiasm and commitment to the project (Cardon, Sudek, et al., 2009). The founder and team evaluations are highly subjective and mostly based on emotions (Landström, 1998). As the social value for the angel investor originates mainly from interacting with the team (Morrissette, 2007), there needs to be a match in values and beliefs to create personal chemistry (Brooks et al., 2014). Trust (Huang & Pearce, 2015; Osnabrugge & Robinson, 2000; Snellman & Cacciotti, 2019), vision (Lainema, 2011) and passion (Lainema, 2011; Sudek, 2006) are the most important elements when evaluating the team. To increase their chances of receiving investment the founders can perform symbolic actions that signal personal credibility, professional organizing, organizational achievements and quality stakeholder relationships (Zott & Huy, 2007). They can also use storytelling as an effective way of communicating the startup's identity, presenting the business idea with clarity and embedding the venture in a larger social context (Martens et al., 2007). Storytelling reduces the perceptions of risk (Martens et al., 2007) and makes it easier for the investor to emotionally relate with the company (Hatch & Schultz, 2003). The framework presented below is based on figures 1, 4, 5, 6 & 7 and its purpose is to demonstrate on a theoretical level how the corporate brand influences the decision-making process of angel investors.

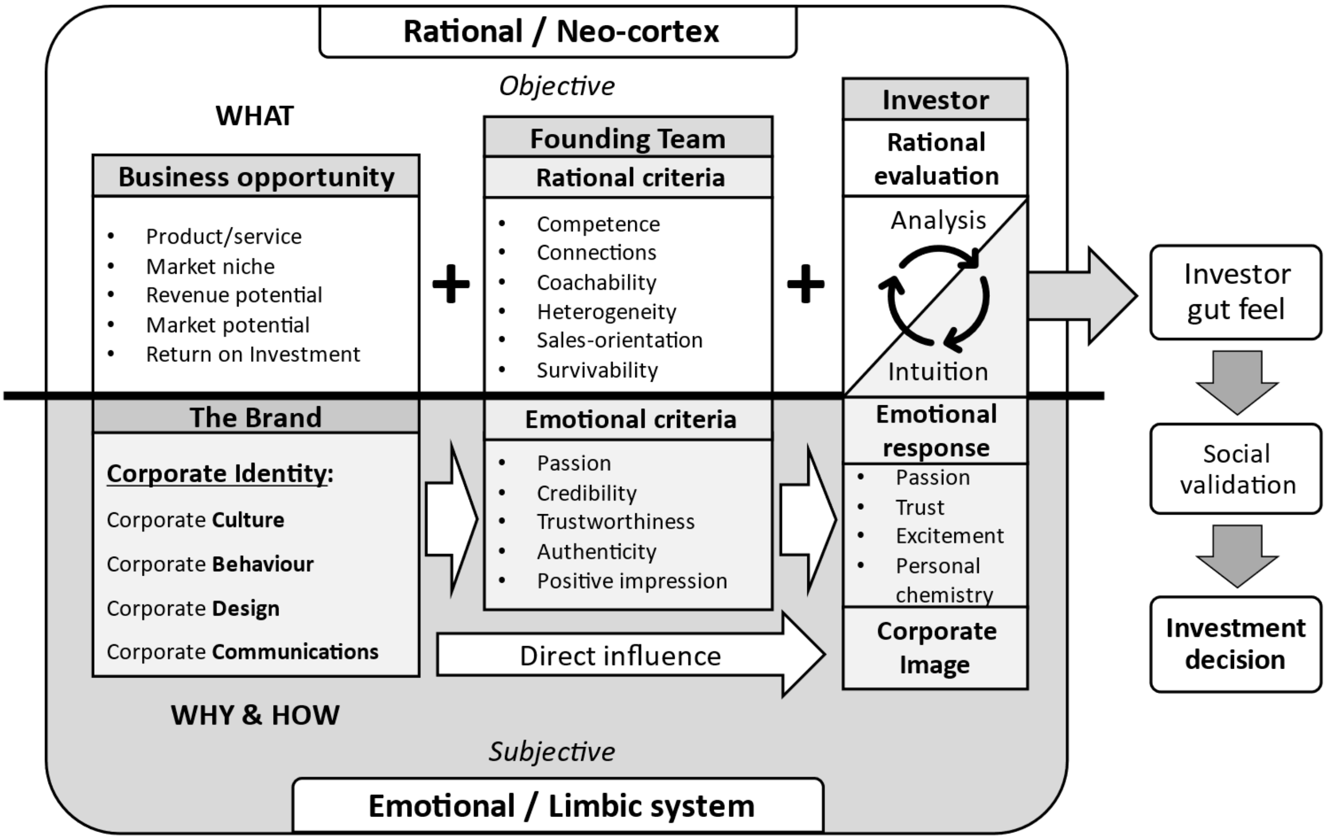

Figure 8 Corporate brand's influence on angel investor decision-making

The illustration of this process is divided in two halves, the upper half representing the objective rational criteria influencing the investor decision making and the lower half representing the subjective emotional ones. The list of investor decision-making criteria presented here is not exhaustive, but it contains the most essential elements from Lainema (2011) and Etula (2014) listed in figures 6 and 7 respectively. The characteristics of a venture's business opportunity and the concrete qualities of the founding team can be evaluated objectively using available information, statistics and rational analysis. Rational analysis happens in the part of brain called the neo-cortex and its results are generally easy to verbalize and present in numbers. When investors evaluate an investment opportunity, they add the scores from the rational criteria and engage in the process of intuitive decision-making. Huang and Pearce (2015) define this process as a combination of formal **analysis** and cognitions on one part and **intuition** and emotions on the other, resulting in what is referred to as the **investor gut feel**.

The lower half of the illustration presents the mechanisms of how the corporate brand influences the investor's emotional intuition directly through external communication and indirectly through the founding team (Rode & Vallaster, 2005). The brand associations operate mostly on the sub-conscious and emotional level (Boyle, 2003) in the area of the brain responsible for decision-making and behaviour, formally known as the limbic system (Sinek, 2009). The limbic system produces emotions and meaning and responds to the company's purpose and value proposition. Because the limbic system has no language capabilities, it is difficult to verbalize the feelings that guide our behaviour, and often the only output is either positive or negative gut feeling (Sinek, 2009).

The emotional factors influencing the angel investor's intuitive decision-making are **passion, trust, excitement** (Snellman & Cacciotti, 2019) and **personal chemistry** with the team (Brooks et al., 2014). Most of these emotions originate from the interaction with the founding team (Morrissette, 2007) and they correlate with the investor's subjective evaluation of the team's **passion, credibility, trustworthiness, authenticity** and the general **positive impression**. These qualities of the team are influenced by the corporate identity through mechanisms explained in detail in chapter 2.3 and summarized here. The founding team's **passion** originates from a shared identity (Santos & Cardon, 2018) and a clear sense of purpose (Cardon, Wincent, Singh, & Drnovsek, 2009) which are both provided by the **corporate culture**. Defining the business concept and mission statement as part of the **corporate culture**, clarifies the business plan structure (Merrilees, 2007) which in turn increases the team **credibility**. The **corporate design** element reinforces the purpose, beliefs & values, as well as increases the sense of familiarity, which all translates into increased **trustworthiness** (Abimbola & Vallaster, 2007; Merrilees, 2007). The **corporate behaviour** element facilitates the adherence to shared values and cultural alignment inside the team and this is perceived by investors as **authenticity** (Hatch & Schultz, 2001). Communicating what the company stands for, enhances its reputation and attractiveness (Hatch & Schultz, 2003), which both contribute to the investor's **positive impression** of the team.

Besides having an indirect influence through the founding team, the corporate identity also has a **direct influence** on the **corporate image** in the investor's mind through external communications, public relations and direct marketing (Rode & Vallaster, 2005). These two sources of emotional influence sum up to create the investor's **emotional response** to the investment opportunity. The emotional response is combined with the rational evaluation to produce the **investor gut feel** which then requires **social validation** by the investor's networks before finally turning into **investment decision** (Snellman & Cacciotti, 2019). In summary, the corporate brand of a startup influences both directly and indirectly the angel investor's emotional response, which is a key element of the intuitive process that eventually leads to the investment decision.

5 RESEARCH METHODOLOGY

5.1 Qualitative research

In their book on qualitative methods in business research, Eriksson and Kovalainen (2015) point out that it is easier to understand qualitative research by comparing it to quantitative research, rather than trying to explain it. Where qualitative research approaches focus on interpretation and understanding, the quantitative approaches are concerned with statistical analysis, testing hypotheses and explanation (Eriksson and Kovalainen, 2015). Compared to the numerical data produced by quantitative research, the qualitative approach yields descriptive data which is better suited for answering research questions asking "how" and "why" (Rashid, Rashid, Warraich, Sabir, & Waseem, 2019). According to Carson et al. (2001) the qualitative approach has been a common choice in business and marketing research where the goal is to study the practices and perspectives of people inside companies and to gain understanding in the general phenomena around the topic. This is also the case in this research as it intends to gain understanding in the phenomenon of startup brand building by studying the perspectives of marketing professionals in different marketing agencies. Besides generating new scientific knowledge, qualitative research intends to find solutions to practical problems (Flick, 2007). This is in line with this study aiming to create a set of guidelines for startups to use in solving practical branding problems.

5.2 Case study and abductive approach

This research is conducted following the practical guide to performing a case study by Rashid et al. (2019). Case study is the most commonly used method in academic qualitative research in general (Rashid et al., 2019) and in qualitative business research in particular (Koskinen, Alasuutari, & Peltonen, 2005). Because the field of brand building in SMEs and especially its influence on angel investor decision-making is a relatively little researched area, the theory generating approach of a case study seemed most appropriate. It is also in line with earlier notable studies in SME branding (Bresciani & Eppler, 2010; Krake, 2005; Rode & Vallaster, 2005; Wong & Merrilees, 2005). Koskinen et al (2005) point out that when selecting the research method, it is also important to acknowledge the researcher's related knowledge and experience. As the author had already previous experience in conducting qualitative case studies, it was seen as supportive to the choice of method. Flick (2009) points out that it is important to specify what is meant by a case, and in this study a single case is considered to be a marketing professional, startup founder or an angel investor sharing their perspectives on

SME branding. This being a multiple case study, the in-depth information gathered from the individual marketing professionals is analysed for common patterns that are then used in forming the best practices for startup brand building. The comparison of multiple cases also help creating generalizable theoretic constructs and a more holistic view on the topic (Eriksson & Kovalainen, 2015). According to Yin (2009) using multiple cases as sources of evidence denotes triangulation and thus improves the reliability of the study.

According to Dubois and Gadde (2002) abductive research approach is especially suitable for business research applying a case study method. In abductive approach the researcher starts with building a theoretical understanding by studying the extant literature and then proceeds to conduct an empirical study aimed at refining the existing theory (Hirsjärvi & Hurme, 2000). Dubois and Gadde (2002) explain that a case study with abductive approach is conducted through a process of systematic combining where there is a constant movement between the theory and empirical world, developing the theoretical framework, empirical field research, and case analysis simultaneously. For example, when the author observed a distinct angel investor behaviour while conducting the empirical research, he returned to expand the literature review in order to provide a theoretical explanation for this behaviour. Abductive approach differs both from deductive approach, aiming at making propositions from current theory, and the inductive approach aiming to create new theory from observations (Dubois & Gadde, 2002). Järvensivu and Törnroos (2010) add that abduction strategy aims at exploring social phenomenon from the perspective of social actors and to enrich the existing theoretical frameworks with these empirical findings. As the primary goal of this study is to complement the current theory of SME brand building with practical guidelines from empirical data, the abductive research approach was seen most suitable.

Other methodological frameworks such as Interpretative Phenomenological Analysis (IPA) could have resulted in richer results if the emphasis of this research would have been on angel investor decision-making. IPA would be specifically suitable for gaining deep understanding on the how the angel investors make meaning of their investment experiences (Pietkiewicz & Smith, 2014). But since data on the topic was already sufficiently available in extant literature, a further empirical research was deemed unnecessary.

5.3 Data collection

As the topic of brand building practices in startups is not a previously well-researched subject in academia, it calls for the use of research methods that are both flexible and provide the widest possible perspective on the subject. The methods should also be able to provide additional information on the context, which in this case is venture funding for startups. Interview is one of the most widely used data collection method in qualitative research and it is characterized by its flexibility (Bryman & Bell, 2011). It is the preferred method when the topic is not well-researched (Hirsjärvi, Remes, & Sajavaara, 2009) and the researcher intends to gather as much information on the subject as possible (Tuomi & Sarajärvi, 2009). The interview methods range from structured interviews, where the informants are interviewed with a fixed set of questions, to in-depth interviews, which resemble open conversations with no pre-determined structures (Tuomi & Sarajärvi, 2009). For the purposes of this study the structured interview is too restrictive in scope and the unstructured one is too vague. Between these methods lies the semi-structured interview, where the interviewer starts with a set of questions but is free to present them in any order or form he deems necessary (Hirsjärvi & Hurme, 2000; Packer, 2011). The interviewer can also decide to probe deeper on certain questions that seem to provide interesting information (Hirsjärvi, Remes and Sajavaara, 2009). Another benefit of the semi-structured interview is that, because the interviewees are allowed to give answers freely in their own words (Hirsjärvi, Remes and Sajavaara, 2009; Packer, 2011), the conversation can bring up unexpected new topics (Pietkiewicz & Smith, 2014) which might change the researchers interest (Eriksson & Kovalainen, 2015). This aspect is especially important for the process of systematic combining where the emerging empirical observations are used for redirecting the constantly evolving theoretical framework (Dubois & Gadde, 2002).

The selection of the interview participants must be intentional and appropriate to the purpose of the research (Tuomi & Sarajärvi, 2009). In this research the first interviewees were found through the researcher's personal networks and through his work contacts at the Maria01 startup hub. Later the number of informants was increased through the use of snowball method, where each informant is asked to refer the researcher to other people potentially relevant to the research (Flick, 2007). Two of the informants were found independently through the networking platform of European Angel Investment Summit, an event which the author personally attended. The interviews were arranged by sending emails explaining the purpose of the study and requesting a meeting. The total sample size was determined by saturation point where more cases were added until the additional interviews did not yield much new information (Hirsjärvi, Remes and Sajavaara, 2009). All of the interviewees were selected on the basis of their expertise in brand building and familiarity with the venture funding context. Five of the interviewees were marketing professionals working in marketing and branding agencies specifically catering for startups and growth companies. One interview was done with a startup incubator CEO with a strong background in brand building and experience in angel investing. One of the interviews was done with the brand manager of a SME operating in consumer markets. Another interview was made with a technology startup co-founder who provided valuable insight into the realities of venture funding both from the entrepreneur's and angel investor's perspectives. Lastly there were two interviews with experienced business angels in order to properly establish the venture funding context of this study. One of the angels is a full-time professional investor and the other is a serial entrepreneur who has experience both in building startups and investing in them. All of the interviews were face-to-face, individual interviews except for one where a pair interview was conducted with both the CEO and associate creative director of the branding agency. Initially the interviews were recorded on a smartphone but after an audio file got corrupted and caused significant effort in repair, a backup recording was always made in parallel on a laptop. The recordings were made in agreement with the informants and their durations are listed in the Table 1 below. To protect the informants' privacy, they were assigned codes according to their expert role in the context of this interview. MP for Marketing Professional, SF for Startup Founder and AI for Angel Investor.

Table 1 List of interviewees

Code	**Interviewee role in company**	**Duration**	**Date**
MP1	Co-founder / CEO	51 min	5.4.2019
MP2	Founder / Creative Director	1h 17 min	24.4.2019
MP3	Co-founder / CEO	1h 21 min	9.5.2019
MP4	Associate Creative Director	1h 21 min	9.5.2019
MP5	Marketing Director	1h 10 min	17.5.2019
MP6	CEO / Angel investor	1h 41 min	24.5.2019
MP7	Communications Strategy Director	45 min	4.6.2019
SF1	Co-founder & Brand Manager	1h 6min	5.8.2019
SF2	Co-founder & Director of Strategy	1h 12min	24.1.2020
AI1	Business Angel	26 min	4.6.2019
AI2	Business Angel / Serial entrepreneur	59 min	18.2.2020

The interview framework found in Appendix 1 was drafted according to the salient themes of the initial literature review, as is customary in semi-structured interviews (Tuomi & Sarajärvi, 2009). The framework was refocused and updated with additional questions during the empirical phase of the research. In adherence to the good research ethics, the purpose of the research and its possible applications were clarified to the informants before each interview (Tuomi & Sarajärvi, 2009) they were also informed that a copy of the final report would be sent to them before its publication. The interview started with questions of background information and proceeded to the main questions that were grouped to brand related questions and venture funding related questions. Depending on the informant's background the emphasis was either on the first or the second group of questions.

5.4 Data analysis

The goal of qualitative research is not statistical generalizability but to understand and describe the subject phenomenon in rich detail (Tuomi & Sarajärvi, 2009). In qualitative research, the most recognized data analysis methods are thematic analysis and coding (Rashid et al., 2019). According to Hirsjärvi et al (2009), thematic analysis is the most appropriate method for gaining a wide understanding on a phenomenon, which makes it suitable for answering the research questions of this study. As the focus of this research was on the process of brand building in startups, it was not necessary to analyse the language in much detail and therefore the language focused methods, such as narrative analysis, were not applicable.

The analysis process followed the four-step approach proposed by Rashid et al. (2019), the steps being preparation, exploration, specification, and integration. In the *preparation* stage an interpretation frame was developed based on the research questions and the interview framework. The purpose of the interpretation frame was to help maintain focus on research questions and filtering out irrelevant material from empirical data. The interviews were always transcribed soon after they were recorded (Rashid et al., 2019) so that the learnings could be applied in developing the interview framework for the next case. The transcripts were made on the level of detail required for answering the research questions, which meant that only the material relevant to the topic was collected and filler words as well as off-topic conversation were left out. The audio recordings were transcribed into text format using MS Word and the total amount of finished transcripts was 40 pages. The next step in analysis was *exploration* (Rashid et al., 2019). In this phase the material was coded and by analysing similarities and differences, the codes were further grouped under concepts. In the next step, *specification*, the concepts were developed into categories with the help of the literature. In the final step of *integration*, the cases were compared with each other to find common patterns and to develop the final framework. The result was a total of 9 categories of empirical findings of which selected illustrative examples are presented in the table 2 below.

Table 2 Selected illustrative evidence

Code	Concept	Category
• Brand elements: "The conjunction of firm's actions, messages and looks" (MP6) • Emotionalizing: "Branding is above all emotionalizing the core message" (MP2)	Brand definitions	Corporate branding
• Resource acquisition: "When you have a good boogie, suddenly our boys will do work for you for free" (MP2)	Branding benefits	
• Founded in truth: "You build the brand on the fundamentals and the truths about real things" (MP3) • Rooted in reality: "The feeling has to be real, it cannot be superficial or fake but it must be real" (MP2)	Authenticity	Brand building basics
• Gather a lot of feedback: "Talk to as many people as possible, get twenty different opinions and engage it from there" (MP3)	Monitor with feedback	
• Brand is flexible: "Don't be rigid, don't fight the change" (MP4)	Staying flexible	
• Start with why: "Why are they doing it? What is the WHY? What are the goals? (MP5) • Brand story: "If they have a story then let's just refine the story" (MP4)	Foundations	Building process
• Inside out: "You've got to recognize the groove and its enough if you start believing in it yourself" (MP2) • Guiding taglines: "We aim to create on-brand sentences that everybody can repeat" (SF1)	Living the brand	
• First values then visuals: "Then we used that as a foundation to build all the visual things" (SF1)	Look and feel	
• Perceived passion: "If someone talks about what they do with that little crazy look in their eyes" (MP1) • Believe the hype: "Investors want to invest in people who believe in what they are doing and can convince everybody else of what they are doing as well" (AI1)	Passion	Decision-making criteria
• Network effect: "Who knows who and has someone already been able to build trust through personal networks" (SF2)	Social validation	
• Getting along: As a business case it's probably not so crazy good but I like board games and I liked those guys. (AI2)	Personal chemistry	

6 FINDINGS

This chapter provides the practical counterbalance to the literature review chapter by presenting empirical findings on the themes formed around the research questions of this study. This study set out to determine the best practices of brand building in startups and to explore the influence of a startup's brand on angel investor decision-making. The anecdotes collected from marketing professionals and startup founders will provide the practical perspective on the brand building process and the insights on angel investor decision-making will illuminate the research context. The interview results are presented in 9 chapters named after the categories emerging from the empirical data analysis. Direct quotes from the interviews will be used to illuminate the findings and in the case of a translation from Finnish to English, the original quotes can be found listed in appendix 2.

6.1 Corporate Branding

> *Many have said that corporate brand exists only when you are Coca-Cola with a brand value above 85 billion. I say that everyone has a brand, people too, whether they want it or not. (MP6)*

There is an abundance of misconceptions when it comes to people's ideas about corporate brands. Probably the most common one being that brand building is only for multinationals with endless marketing budgets. The second is the shallow understanding of the concept which is perfectly captured in the quote below.

> *In a 2017 study, 87% of Finnish corporate managers said that brand is the same as the logo, and when they were probed further, they said it means the firm's visual identity. And this is still valid today. (MP6)*

Not only is the terminology unclear for most of the laymen and even the majority of managers, but brand as a word tends to evoke negative associations in many. To the point that some of the marketing practitioners are considering alternative terms to be used instead of branding.

> *Often when I have given speeches, I've been told not to introduce myself as a brand builder because people think marketing and sales are somehow inferior work and they don't understand it. (MP6)*

MP5 mentions that he has systematically reduced the word's usage in consulting work because dropping it has resulted in better buy-in from the client company's management. He explains that often the management considers the brand as an unnecessary and costly hobby project of the brand manager. In contrast, MP6 finds the resistance only encouraging and frequently uses the term to raise positive awareness of its meaning. It is not only the people's attitudes that work against branding, but MP6 adds that the current accounting legislation contributes it share by classifying marketing as a cost instead of investment. Curiously enough, when a company is sold, its brand is always calculated as an asset increasing the valuation, which means it should be considered an investment in the first place.

> *For example, Absolut Vodka was sold for 140 million when Finlandia Vodka went only for one million and based on what? The brand. Or Kotipizza for 134 million with no technology or IPR, it is flour, it is a pizza, for 134 million? Then people are wondering why – the brand and the mission. (MP6)*

According to MP6 the negative associations evoked by the term can be avoided by replacing it with words like customer experience, service design or strategic marketing. MP5 adds other alternatives such as growth strategy, communication and sales development, which all can be infused with branding elements. MP5 hints of a more radical approach for minimizing resistance by proposing that in an optimal situation the people inside the company do not even realize they are doing brand work. He adds that when branding is rephrased as the company's way of telling about their business, or how they convey their company culture, the process of brand building suddenly becomes more interesting to the management. After acknowledging the immense confusion surrounding the topic, it is clear that we need some definitions for the term 'brand'. The multifaceted and somewhat abstract nature of the brand is captured almost poetically in this answer to the simple question of "what is a brand".

> *Everything else than the logo. It's how the firm feels and tastes. How it acts, how it serves the customer, how it sells. To whom it does things and why it is in the business. (MP5)*

For MP6 the corporate brand lays in the conjunction of firm's actions, messages and looks. MP1 goes along the same lines by defining branding as the actions, communication, design, look & feel as well as the corporate culture of the company. MP6 further elaborates that the actions refer to everything that is done inside the company, whereas the messages are the speeches, sales pitches, presentations or press interviews. And finally, the looks are referring to the visuals on the website, the office, car-stickers, and social media accounts (MP6). MP2 turns the focus on communication by defining branding as the process of emotionalizing the company's core message. There seems to be a consensus among the marketing practitioners on the view that the visual side of branding is the last one in order of importance and often considered only as the tip of the iceberg.

> *The brand is not the visuals, but it's the actions and statements the company has made. (MP1)*

MP2 acknowledges that the colours and prints are a central tool in brand building, but they do not spark emotion on their own. MP5 agrees that the logo and other visuals are important for expressing the brand but do not have much meaning on their own. When it comes to the core function of corporate brand, the perspectives again are varied. Where MP1 describes the brand's function as the creator of mental images, MP6 considers the main function to be that of differentiation. SF1 adds that the corporate brand tells about the way of working in the company and about the values that guide its operations. MP6 provided an illustrative metaphor that describes the roles of different elements making up the corporate brand and points out the need for a holistic approach to branding.

> *For me strategic brand building includes all these elements; advertising, marketing, strategic marketing, and communication which all mean separate things. But because people tend to bundle these things together, I started to illustrate them by drawing a layer cake. The whole cake is the corporate brand and the dough it is made of is the people, the products, the services, and their commercialisation. There you have the numbers, accounting, facilities, and the strategy. Then the cake is filled with some banana and strawberry, and when you split it in half the filling is these specific competences in strategy like marketing, communication, these things that are combining the processes and combining the activity. For instance, HR is in part of the filling between the dough. And the people are there too. Then the whipped cream on top of the cake is marketing and communication, it is what shows to outside, there you have the media connections and so on. Advertising is the candles and the few candies on top of the cake. (MP6)*

For a company, its brand can be a complex construct and may mean many things but ultimately it all boils down to the one and only thing that matters, the brand image in the stakeholders' minds. MP4 continues by explaining this principle very fittingly to the previous metaphor.

> *It doesn't matter what you think you taste like, it's what the people think you taste like that matters. If nine out of ten people say something about you, that's most likely the truth. (MP4)*

MP4 underlines that the reality is in the brand experience the stakeholders have of the company, and not in the image the company has of itself.

> *I need to be aware of how other people perceive me, because that is the definition of you, not how you perceive yourself. And if you are not out there asking for that feedback and getting that information, you will live in a bubble. (MP4)*

The brand image is built in a constant interaction with the audience and as SF1 explains, the audience's reaction to certain communication activity can influence how the founders see themselves. For example, if the company releases a team portrait displaying a particular kind of attitude and it is well received by the audience, this reinforces the team's self-identification to that attitude and shapes their self-image. The nature of the internal versus the external image is crystallized by MP6 who explains that the internal image held by the company of itself, is the ideal, and the external image held by the stakeholders, is the reality.

> *If I think that Company X is the best in Finland and I believe so, this is my internal ideal, but then comes the external reality and somebody says "excuse me but I have never heard of the company" so where those two collide, is the image point. (MP6)*

Besides separating the aspirational identity from the actual image, there is another important delineation to be made, and it is that of separating the brand from the business. As MP4 explains, often what the company makes their money of is not the same thing as the vision they are selling. What the company sells is their team, their purpose, their attitude and their belief in mission, while in reality they do whatever pays the bills.

> *Take the food delivery companies, how they adapt to the market is not perceived in their brand. The brand doesn't change although the business changes constantly. How we see them is "I'm hungry, I get food quickly" that is their brand, its laziness to be honest. And we see them as a very strong unit, they have a very clear brand, it is very un-fuzzy, its super sharp. But when you look in the back of how they work, its quite a mash and they need to be on their feet to keep the business running. Keeping those separate means that you can keep a strong front. (MP4)*

This protective function of the brand is especially important for startups whose business model and products often evolve radically during their growth. When the brand is strong and the purpose is clear, the business has more flexibility to change without damaging the startup's credibility. This divide is in line with Sinek (2009) model separating the WHY from the WHAT, or the brand form the business. Many of the marketing practitioners referred to Sinek (2009) when describing the purpose of the company. For MP7 clarifying the why statement is a routine task when consulting startups on brand building and it is a task that prepares the founders to talk to press about their venture.

> *And most importantly, the why statement enables you to answer almost any question from a journalist. Cos imagine the idea that a journalist comes and asks you "how do you compete with your competitors". What happens often is that people start talking about the competitor doing this or that, and that is the last thing you wanna tell a journalist. Imagine starting with why instead. (MP7)*

A clear brand and purpose are also important in recruiting. As SF1 explains, it communicates the company's way of working and the values that guide their everyday activity. This is supported by MP1 who describes the importance of a pleasant visual identity to the employer image as follows:

> *Visual identity and the feeling influence a bit more in the recruiting phase because people want to have a nice place to work and get to show others that this is a cool case I am working on. (MP1)*

Now that we have learned what the brand is, what it is not, and what it is good for, it is time to look into the elements that form the foundations of the brand building process in startups.

6.2 Branding guidelines

6.2.1 Authenticity

In a complete contradiction to the general public's idea of branding as a fake facade, many of the marketing professionals heavily underlined that branding must be founded on authenticity and reality.

> *You build the brand on the fundamentals and the truths about real things. You brace the truth that you feel that the people like about you, they love about you - the product, the company, you as a person, whatever - if you build yourself on those things, they will still be valid one year, two years, ten years from now. (MP3)*

This idea is further elaborated by MP5 who explains that when the brand is rooted in realities of the why statement, the organisational culture, the kind of people in the company and the particular way of doing business, the result is that it is impossible to create a fake brand as people would immediately recognise it as fake.

> *The feeling has to be real, it cannot be superficial or fake but it must be real. When we talk about branding, the reality is that if you are trying to keep up an act you cannot live the brand with an authentic passion. (MP2)*

The requirement of authenticity gains support from AI1 as well, who states that it is impossible to fake anything to the investors because it is a long-term relationship and eventually, the reality will be revealed. He adds that the business angels invest in the team with its perks and with its flaws, and the more authentic you can be the better off you are.

> *Brand building has turned into building a beautiful world. And that is a whole different story. Here it should be something like building a reality-TV brand. Like how can you build of yourself the most authentic image, and not so much of a faked image. (AI1)*

6.2.2 Customer orientation

Because the reality about the brand is in the eyes of the audience, it is important to adopt an approach of collaborative brand building together with the stakeholders. MP5 advises that when pondering the core questions of brand building, the branding agencies can help in clarifying them, but the same conversations can also be had with the end customer. MP6 adds that if you don't have customers yet, you can talk with relatives, friends or colleagues. The people can be any external stakeholders who you trust to give you honest feedback. Another way is to find a couple of experienced mentors who can advise and provide perspective. A common mistake in startup branding according to MP6 is that the founders start by creating the designs based on their favourite colours and preferences when they should have the interests of the customer in mind. The customer orientation is taken a step further by MP6 who explains that not only should the brand be built specifically for the target customer but that the real target is the customer's customer.

> *You should do it by constantly thinking who is my customer, and my customer's customer. So if I want that Valmet buys from me, they buy from me only to make their business would run smoothly, so when Valmet's interests are in their customer, my visual identity and brand needs to correspond with the interests of Valmet's customer. (MP6)*

While the proponents of customer orientation were in clear majority among the interviewees, there was one who took a completely opposite stance. MP2 explained that only listening to the customer is good for the business-as-usual but terrible for doing anything significant.

> *Generally speaking, you should always listen to the customer and get them involved. Often the case is that the firms that go sales first and engage in customer-oriented product development, are some sort of prostitutes. And prostitution is fine, but it is not how you make big things happen. Instead, the big things are made by not asking the customer. (MP2)*

6.2.3 Emotional Appeal

Evoking some sort of an emotion is a core function of a successful brand. MP2 explains that when building a brand, you need to speak to the part of the brain where we don't have the defences of rational thinking.

> *This is when the guy at the car factory stares the car in the face and the designer is thinking how do you make the car into a mean mile-eater or a trusted member of the family. (MP2)*

According to MP2 it is common among Finnish companies to confuse the emotions connected to the brand with the company values. The values like trust, professionalism, and equality are different from the emotions like fear, anger and masculinity that are used in car brands for example.

> *If we think of the interaction channels we have for connecting with the grey matter, they are knowledge, will and emotion. Knowledge includes reasoning, key selling points, features and benefits. Will includes ordering and call-to-action. Emotion comes from a different place in the brain and when we think something*

with rational thought, by verbalizing things, it is a completely different place than where the gut feeling, and instinct come from. (MP2)

Because the emotional part of the brain lacks linguistic capabilities, it can be difficult to conceptualize the emotional elements of a brand. MP2 criticises the attempts of conceptualization of things that are not meant to be conceptualized and points out that people are naturally tuned into sensing authenticity so we should trust that if something makes us vibrate, then it probably makes others vibrate too. In that sense brand associations are much like music, it doesn't require explanations to have an effect. MP7 takes the emotionalization to the context of gaining press coverage for the startup. He explains that the stories need to have an emotional charge for them to be worth sharing.

You share stuff that makes other people react, you wanna share something that makes other people engage and say oh my god this will make my friends laugh or this will make my friends cry. So if we can give a journalist that kind of a story, they wanna write about it and share it. (MP7)

6.2.4 Constant evolution

Flexibility is an important aspect of brand building. MP4 explains how the brand should not be fixed on a specific feature and even the vision needs to be occasionally reviewed to fit the big picture.

Don't pace yourself on a feature. Key selling points will constantly change because that's what depends on what others are doing, what people want, what are we going to do now? These are the key selling point things. The unique part really is your vision, your company and how people see you. That also changes throughout time. Don't be rigid, don't fight the change. Embrace wherever the market will take you. And of course, that has to change in the brand. (MP4)

MP4 continues by describing brand as a constantly evolving iterative process that never reaches the point of being ready.

The point is, we come from a world with hard deadlines, then its done, you give it away and that's it. That's not the case, nothing is ever ready, it can always be improved, developed, to meet demands and ambitions better. The idea of something being ready, avoid that. (MP4)

Although the brand is being updated as time goes by, the incremental changes should not be so radical that the everyday reality in the company gets left behind. MP5 warns that the gap between the current state and the aspired state after brand refresh should not stretch too far because if the refreshed image doesn't match with the actual customer experience, the audience will experience brand dissonance.

6.2.5 Founder's personal brand

When the startup goes through the initial stages of growth and more people join the team, the brand needs to go through certain stages of major evolution. All the respondents agreed that in the beginning the startups brand is the same as the founder's personal brand but later it tends to grow separate.

> *In the very beginning the brand is you and the product is separate. And that's where you define the brand and product separately. You have to establish yourself as a brand, as a player and actor of that world where you wanna present your product. The product isn't you, it is a product of you. That is maybe where the line is drawn. (MP4)*

Both MP5 and MP2 agree that the corporate brand can be separated from the personal brand as long as there is at least something in common so that you don't need to put on a complete act. MP5 mentions that the founders need to have a clear picture of their corporate brand and their customer's preferences so that they know which directions the brand can grow and which not. MP6 recommends building separate brands right from the beginning.

> *The easiest would be if the company is build from the beginning so that the founder doesn't consider it his child or an extension of his persona. It is important to be genuinely yourself and open but there is a limit to everything. If you are building a company, it is business after all. Corporate law states that the main goal of a corporation is to generate profit for the shareholders. Nobody buys a company that has been personified in one single person. (MP6)*

There are certain liabilities that come in play when the company brand is strongly personified to the founders' character. MP4 suggests that generally the personal and corporate brands should be separated because there might excist people who dislike the person but really love the product, or vice versa.

> *Sometimes you need a founder face, an Elon musk, but that can also very much backfire sometimes as well. People love to hate heroes; they love to watch them crash and burn. That's the risk. People love to hate the visionaries as much as they love them. What do you do then? Focus on the other people in the company. (MP4)*

MP6 warns that if the company brand equals the founder's personal brand and something would happen to the founder, the company would be in serious jeopardy. These risks can be mitigated by detaching the corporate brand from the founder's persona through consistently involving the other team members in tasks of representing the company.

> *Like case Wolt. In the very beginning it was strongly built around one person and that person's identity, the founder. Whereas nowadays you don't talk about his company, he was the guy that made it happen - and then he moved on. He was there as long as it needed a face. But now if I think of the company I don't get a*

> *single face when I think of Wolt. Because it has grown to a size where the company doesn't need a face. (MP4)*

Both MP6 and MP4 speak of the growth path the company makes from the starting point where the corporate brand needs support from the founder's personal brand, to the point where the corporate brand can stand alone and the founder can step away from the spotlight. When the team grows from one to many, there is a natural evolution process that happens in the brand as is described by MP4.

> *At some point the personal part becomes two or three and on that point the idea of who you are starts to shift and that's when you have to define what all the three members say. If you ask all three the same set of questions, you get different answers. And then you can bluntly point at the fact that your brand is not coherent because it's based on all three individual experiences or ideas who you are. At the point you are just one man and one product there is no reason to kick that self away. (MP4)*

6.3 Building Process

Branding is often misunderstood as a process of creating pretty images to cover the raw realities of business, but this quote from MP4 perfectly describes the true authentic nature of branding.

> *Basically, the answer always exists, the truth is there, the story is there, the material and the building blocks exists. It's just a question of finding them and putting them out nice. It starts with you. (MP4)*

As was underlined in the previous chapter on brand building basics, the fundamental philosophy must be that the brand is strongly rooted in reality. With this in mind we move into exploring the process of building a corporate brand from scratch.

Brand building should be considered a long-term continuous process that starts as soon as the idea of the company begins to take shape. MP7 describes that eventually the brand becomes much like a trusted friend to the customer but the process of getting there takes time in same way as building any other relationship. MP1 says that in the early stages when you have less customers it is still possible to flexibly form the brand but as you gain more clientele, any changes to brand become increasingly difficult. SF1 tells how in the case of their company they started knitting the brand into the firm's DNA since the beginning by contracting a branding agency even before they had any production equipment ordered.

It is important to start the process by benchmarking other brands with desired characteristics. MP6 and MP5 emphasize that the scope should be wide enough, starting with the best companies around the world and zooming in to the national and local top references. This is an important step because analysing other brands will develop your own thinking and you can learn from the mistakes and successes of others. SF1 and MP3 point out that besides having a global mindset, it is also beneficial to gather inspiration from references in other industries and not only from your direct competition.

> *So don't just focus on your silo where you are. Benchmark companies that have nothing to do with you but relatively there are elements of it, the model, you can learn from. (MP3)*

SF1 tells an example of how their corporate brand has gained influences from music, pop culture, fashion brands, and alcohol industry, not getting fixated in their own field's way of doing things.

One element that needs to be present during the whole brand building process is the constant gathering of feedback. In the last chapter the importance of feedback was established and now we will look into how it is gathered in practice. MP3 advises to talk to as many people as possible because some opinions might be marginal but the more information you have the better off you are. Create a set of questions that can be scaled from sending it to 10 Facebook friends to a market research of thousand people. MP6 lists some example questions you can have in the feedback sessions.

> *For example, go have a workshop with a couple of trusted partners. Why have they bought? What did they appreciate? How did they feel about the price-quality ratio? What is the differentiating factor in their opinion? What is the benefit? (MP6)*

The global access to niche communities through the internet is praised by MP5 who suggests that if you don't have representatives of your target group in your personal networks you can always find a discussion board online where you can go have the feedback discussions. It costs nothing else than some evening hours spent on the forums gathering feedback and customer insights. MP3 speaks of the importance of open-minded social circles where you can freely express your ideas.

> *Being part of a community where you can have as much open, ambitious dialogue as possible. Not going in like "this is us, and this is what we do" but stepping one foot in to test the water first, to talk and have questions, to gather the data. That's probably the very first step you have to do. (MP3)*

6.3.1 Phase One – Laying the Foundations

Building the brand starts from clearly formulating the business concept and the purpose of the company. The foundational questions to answer on this step are the following: What are your products and services? What benefit do they provide? Who are your target customers? Why would the customer buy it from you? What are they willing to pay? When, how and where does the customer want to buy your product? For what purpose does the customer buy your product? MP3 mentions that besides answering these questions within the team, you should also get some outsider's perspective on them. The standard practice in the agency of MP5 is to have a workshop with the client where first these questions are answered and then they plan how this is compellingly communicated to the world.

Nearly all of the interviewees underlined the importance of clearly defining the purpose of the company. MP6 states that the company's purpose is not to make money, but to provide value for someone else. In a similar tone MP7 reminds that the company is not about the product I makes, but about what it is they are changing the world with. MP5 describes the company's purpose as understanding its place in this universe and how it serves its customers. The purpose is often condensed in a why statement that concisely describes the company's impact to the world.

> *I would start first with why, you need to be able to crystallize in one sentence why the company exists. And it's not enough that it generates you income. It needs to benefit someone else than you too. What is the benefit for the others? What is it you are doing in the big picture? So we are talking about the mission. Then we are talking about the vision. They need to be clear. (MP6)*

MP7 provides a perspective in the often-criticized engineering attitude of Finnish companies where the product takes the central stage and marketing is given very little attention.

> *But you know what's really interesting? Finnish companies do have that why inside them. Almost every single one of them did not build a technology for no reason. They did this because they wanted to change something, but they don't tap into that in their communication. Because they think that people want the thing. But people want the dream and that's and emotional thing. You are looking for people who connect with the same why. Not for people who need your product. (MP7)*

In the agency of MP7 this issue is tackled by coaching companies and people in finding their why. They utilize the methods described by Simon Sinek when developing the purpose driven communication for the client companies and help them to write out their why-statement in one short sentence. MP7 describes the structure of the why-statement as follows:

> *When we write the why-statement, it's comprised of two components. First component is the contribution. Coaching and inspiring people is what I do, its my contribution. And the second component is the impact. My impact is that people are able to do the things they never thought were possible. (MP7)*

According to MP7, the why-statement serves as a foundation for writing the value proposition and the main- and sub headers for the website. MP6 describes the process in a similar manner but including the components of vision and mission, in addition to the why-statement.

> *Based on those we produce the core message that shows first on the website. And for the core message, we produce three supporting messages that support the whole. (MP6)*

MP7 adds that once the why is established by the startups, the agency can create the messages and design graphics, but most importantly with the why statement written out the startup can engage the press with the stories behind their why.

The creation of the company's value proposition was described by SF1 with very similar wording as what MP7 used for describing the creation of why-statement.

> *Now that we have pondered what is our universal value proposition without which we cannot survive abroad, we have arrived to the conclusion that it is "elevated human connection". So similarly, as we got together in the beginning around one topic which in our case was our main product, we experienced the shared inspiration and went on to change the world. Its what we want to bring to this world. Its not about how much we can produce our product, but about how much we can produce the people getting together and experiencing that shared inspiration. (SF1)*

SF1 continues explaining that the value proposition sentence should optimally fit into some current megatrend, such as the increased need for authenticity and experience in their case. Recognising and hitting some current trends is also an important element in fund raising as it communicates to the investors that the company knows what it is doing and that there is serious growth potential. SF2 supports the previous by saying that the company needs to communicate the change they want to have in the world as well as in what bigger trends their mission taps into.

The next step in laying the foundations for the corporate brand is defining the shared values within the founding team. SF1 describes the value setting process that took place within their team even before they contacted the brand agency:

> *Actually, before that we had defined the company's values among the founders. First, they were very clear. We set a weekend during which we decide the values. We talked about them, we had a workshop and decided them. The values cannot be outsourced, you have to make them yourself. And for the brand agency that served as one of the building blocks provided by the founders. (SF1)*

Both SF1 and MP2 compares starting a company to marrying the other founders as the team will end up spending more time with each other than with their spouses. This places a special importance on having a set of values that are defined together and that each team member understands them in the same way. MP2 speaks of the importance of promoting the value alignment by defining together the words that are used.

Perhaps instead of the deliberate brand building, the best brand promise to the investor would be that the team experiences the things more or less the same way. So, when you have decided with the team that this thing is, for example, effortless then the you need to have the relationship talk about what effortless means to you. To get the orchestra to play the same tone it is important to define the chosen adjectives in a puritan manner. (MP2)

SF1 states that the very first goal of startup branding is to build the shared identity of the company in the minds of the founding team. This process is described by SF1 as follows.

It started so that I began documenting and taking photos of those things that we were doing and that produced a feeling that we are doing something bigger than just this group of friends. And as soon as it was possible, we printed t-shirts because when you are wearing the startup uniform, you get the feeling that you are one team, and then we took that one emblematic photo. (SF1)

Here SF1 refers to a group photo that described the attitude of the company in a very visual and impactful manner. He continues by explaining the importance of having artefacts of shared identity, like the emblematic photo, that communicates the attitude outside but also reinforce the founders' identification to the company.

I realized that always when we showed the photo somewhere, it woke the people up, they got interested and started laughing wondering how this kind of things can even be done. It was an asset that the founders liked to show and it also strengthened the founders' confidence in that we were building something that can be something bigger. (SF1)

SF2 tells that the process of building their corporate brand started with the founders discussing what kind of workplace they want to create and what kind of values are important for them personally. In their firm the process was documented in a corporate culture guide which later served as an important tool for internal branding as well as recruiting.

After a couple of years of workshopping and iterations we started defining things in a corporate culture guide. This has been a good tool in recruiting and in defining our mentality in doing our thing, what kind of behaviour we appreciate, like that employees will be flexible when the firm is going through difficulties and vice versa. (SF2)

The building process of a startup's corporate brand culminates to a brand story that summarizes in a narrative form all the previously defined elements. MP1 tells that all the brand elements are condensed into a story that every team member can repeat to describe the team and the venture in short.

In the beginning the brand is the team, it is how your story is and it doesn't have to be anything else than how you describe in a couple of sentences what you are, what you do, what is the background of your team, where do your customers come

> *from and what's your level of ambition. From those you can form certain kind of a brand to start off with. (MP1)*

Both MP3 and SF2 support this idea and MP3 goes to the extent of calling the brand just a story, which according to SF2, boils down to how you tell things and how relevant they are to the listener.

> *The brand is just a story, it's how people will think about you. The very first step we do is to ask them to pitch themselves. If they have a story, then let's just refine the story. If you don't have a story, we have to find a story. (MP3)*

MP6 explains that in the venture funding context, the investors want to hear a good story about why you are there, why you are engaged with this particular product or service and why is it so much better than the competition. AI1 adds, that by telling a good story you are constantly buying more time from the investors, first five minutes determining whether the investor wants to hear more and the first meeting determining if they want to meet you the second time.

Usually the startup stands for something and the company stories are often built around that purpose. MP7 describes in detail the four elements that make a good story click and inspire people to share it forward.

> *The first is that it needs to be honest. Finnish people are usually pretty honest, but it has to be backed up with honesty, you can't spin it in a way that when you come back to it it's not true.*
>
> *Second is that it needs to be original. So that means that you have to have some combination of something that people haven't heard of before. Or it has to be completely original. Sometimes you need to think way outside of the box. Sometimes that means you have to do something smaller. But original.*
>
> *The third is that it has to be relevant. You have to look into what's going on right now and if you try to talk about your stuff and you run into the bar during hockey season yelling football, football, no-one pays attention or they go "what the hell was that?". You have to understand what's happening right now, how does your stuff relate to what people are already talking about.*
>
> *The last is that you have to combine all those things with humanity. Meaning that you have to tell real stories about real things that are happening. About peoples' lives being changed. The more humane you can be the better. An example would be instead of saying "what we do for our job is that we work with these really important people and we introduce them to these other very important people. You need to sell the story like "I met bob and he was an entrepreneur that was completely down on their luck with no money left. And there was this investor from Finland that was working in Helsinki exactly on high tech products that this guy was talking about and when they got together they got this perfect synergy because one of them believed that the world could be changed by cleaning the water*

and the other one believed that he could found a company that cared about cleaning water."

Telling stories that are compelling and shareworthy is fundamentally important in gaining valuable press coverage for the venture. SF2 tells that he used to joke about the press giving instant credibility to any story you managed to get through but nowadays he considers it as a serious instrument in creating trust in the eyes of investors.

Whatever story you get in the media becomes credible per se. I'm joking that I can tell the media whatever but if it is written or photographed in the media, then it is somehow insanely valuable for the investors. That's the validation in a way. It has much more value than if I would tell a good story directly to the investor. Or if the investor would read it himself in the media, then it is five times more credible to him. And we use media a lot in closing investors. For example, in the crowdfunding campaign we planned five spikes in media and then fed that media information to the investors instead of telling them somehow ourselves. (SF2)

As SF2 explained the information can gain multiple times more credibility when it is transmitted to the investors indirectly through media, rather than directly by the company. AI2 agrees with a slightly more critical view by mentioning that often the journalists don't completely understand the startups they write about and they are easily lured with trendy terms and hot topics.

Phenomena is the core thing on the PR side. Media is interested in catching phenomena that are somehow relevant to the great public. The ones who follow media a lot, PR-consultants and such, know what are the topics that are being talked about. Even though the thing you do would not be directly connected to the topic that is being talked about, it can still be interesting as a phenomenon. (AI2)

AI2 admits that startups can greatly benefit from the media especially in market entry phase. SF2 underlines that for brand building and fundraising it is fundamentally important to deliberately think of ways of injecting your stories into the media to gain that added credibility. AI2 gives a practical example of how to play the media game.

I have been in the morning TV speaking about the removal of direct debit simply because we saw with a PR consultant that this could be a theme that would be possible to get to talk about in the morning TV. (AI2)

He tells that for their investor communication they would simply use the links to the media stories of their venture, so it is not important if the investor is following that particular media or not.

After the brand core has been defined, the last step in completing the brand foundations is building the visual identity. All the interviewed marketing professionals agreed that this has to be the last step as the visual identity is built to communicate the elements defined in previous steps. SF1 describes this step as the part where the branding agency stepped into the collaboration.

> *You have to be very open about what kind of a company you are building and write it down to the values. And that is then used as a foundation for building all the visuals. The agency did some thinking and suggested that with this kind of visual things we should start doing this. (SF1)*

One technique that can help in making the various decisions on the look and feel of the company is to create a brand persona. MP2 describes the brand persona as a personification of the brand characteristics that can be used in evaluating whether decisions are on-brand or not.

> *An excellent tool is the brand persona. You start drawing the character, not a stereotype but an archetype. It lives in a detached house, drinks beers on Fridays and sends letter bombs to the neighbours. When you first create that character for the brand then it is easy to start thinking that hey if this is this kind of a robot then it means that our business cards need to be made of metal and we need to talk to the customers in a particular manner and you know the external setting will start to take shape along with the character. (MP2)*

The work that is done with the branding agency is documented into brand manuals that are used as source material for internal branding but also for briefing different external specialists in producing materials. SF1 describes how they implemented the brand manuals into practice in their company.

> *In order to implement the branding procedures, we create brand books where we separate the event guidelines, social media guidelines and graphic guidelines. In addition to that, we have kind of simplified "what is our company about" which we aim to keep as the first slide of every Monday's all-hands-on-deck meeting. And that is repeated like twenty times until it starts to stick. (SF1)*

The respondents described brand building as a continuous, long-term process that starts with defining the core elements and continues by evolving them iteratively as the startup grows. The first part of this process is illustrated in the figure 9 below.

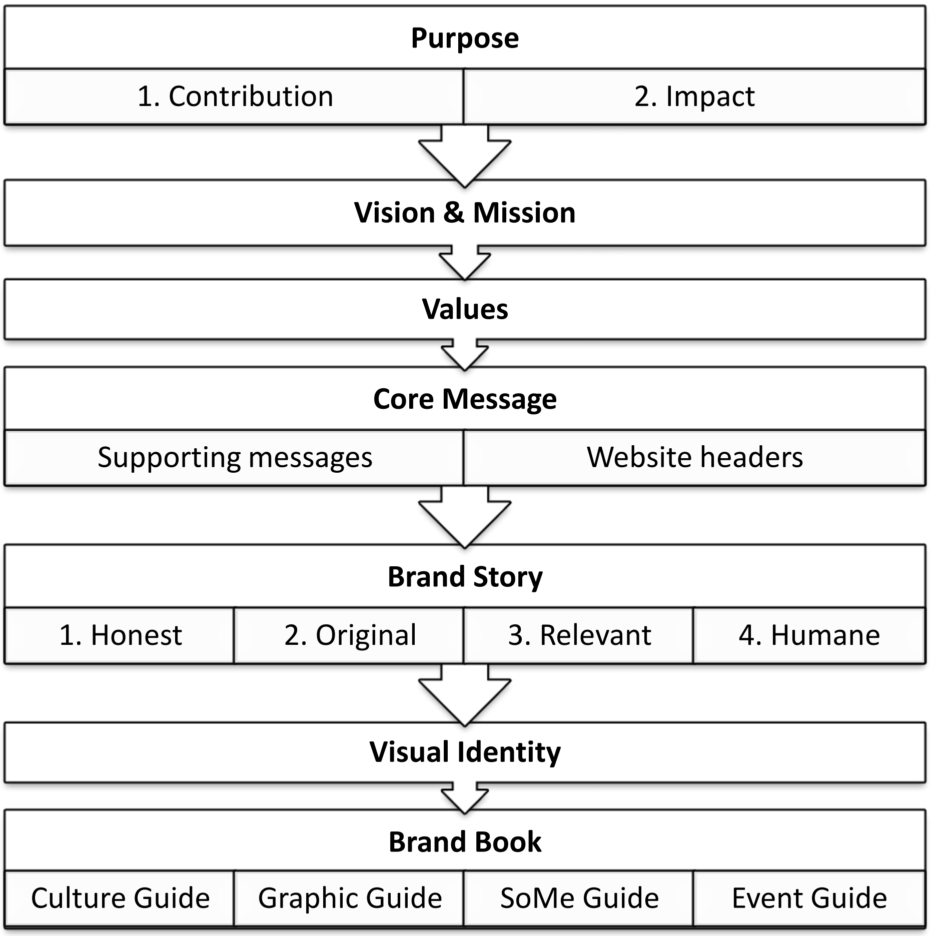

Figure 9 Building the brand foundations

6.3.2 Phase Two – Living the brand

Building the foundations is only the starting point of the continuous, iterative process of brand building. The real work starts when the planned identity needs to be built into the corporate culture and communicated outside of the company to form the image in stakeholders' minds. Many of the interviewees emphasized the importance of building the brand inside-out, first targeting the founding team and then indirectly through them the external stakeholders. MP2 explains how fundamentally important it is for the team to strongly believe in the brand themselves.

> *The startup has to find that positive psychosis and you need to start believing the thing or how the character is [brand persona]. In branding you need to recognize the groove and it is enough if you believe in it yourself. (MP2)*

The brand needs to be rooted in truth and resonate with the founders because if they don't believe in it, the customers won't believe in it either. MP2 points out that often the brand builder is his own worst enemy because they mistakenly think that they are building the brand for the customer and not for themselves. MP2 explains that ultimately the internal branding will bring you to a situation where there is no need for getting together to discuss brand decisions in marketing meetings when everybody in the company has the gut feeling about what is on-brand and what is not. Getting there, however, does not happen overnight and now we will take a closer look into the process of brand implementation.

MP5 explains that before the brand is launched outside of the company, a lot of work needs to be done to achieve strong buy-in from the founding team. This is important because if the people inside the company do not behave according to the externally projected brand when they interact with outsiders, their credibility will suffer. MP5 tells about the importance of engaging the whole team in the brand building process.

> *I think it is equally valid in startups and big organizations that if you build a brand then as many people from the organization as possible should participate in the process. People have a need to be heard and if they have not been heard it will be very difficult for them to buy-in later. So even if my idea did not lead to the final result, at least I was heard, and I got a chance to tell, I got to vote on this. That participation binds the people and it is the first step in getting internally the backing of the whole team. (MP5)*

SF1 tells that in their company this issue is handled so that the brand manager takes care of building the brand together with the branding agency, but he always goes through the decisions with other founders to gather comments and to generate the needed buy-in.

Internally the main mechanism for spreading on-brand behaviour throughout the company is to build the brand into the corporate culture. SF1 says that the consumer's image of the company is a reflection of the company's corporate culture, which indirectly influences the corporate brand. MP5 explains that the corporate culture needs to fit the real-world context in order to be perceived as authentic.

> *Is it conservative design or is it uber futuristic and so on. All this needs to be reflected in how the corporate culture is. Most likely a law firm is not in this uber futuristic world because that culture would not resonate with the people in there so it would be inauthentic. When you start building the brand it always needs to match with the real world. (MP5)*

SF1 describes the gradual development of the corporate culture in their company as a process of reacting to opportunities keeping the brand first in mind and then adopting the best approaches into their corporate culture.

> *As we advanced, we did things and recognized if they were according to our values, if they felt nice to do and if they were appealing to our customers, so then we adopted them as part of our brand-canon. (SF1)*

Another way that the culture was developed in the company of SF1 was through brand experiences, originally designed for the customers. These brand experiences guided the staff to on-brand behaviour as they were exposed to the same elements that were originally designed to evoke brand-related feelings and behaviour in customers. SF1 gives an example of this sort of brand experience in their restaurant.

> *We wanted to repeat around us the same feeling that we had in the beginning. It influences everything, for example that in our restaurant the food was shared so that we could create shared moments when people need to ask for and hand over food. (SF1)*

MP5 agrees that the key element in brand implementation is repetition. He points out that in order to attain the higher-level goals set in brand manuals, vision and mission, the brand needs to be brought down to the operational level where people work every day.

> *So what does this mean in practice in my job? If you are a salesperson then how does the brand show in your work, how do you contact people, what kind of presentations you use, how do you present them, face to face or through skype. You need to make clear what this means in the real life. (MP5)*

SF1 admits that it might not be possible to implement very complex things throughout the whole organization but still the abstract thinking is an important part that should be continuously kept up. He believes that the things that people need for doing their job are the simple guidelines and purpose-built environments that unconsciously guide the people into doing things according to the brand. SF1 speaks of implementing the brand on the practical level by crystallizing it into simple and catchy taglines.

> *We aim to make sentences that can be repeated. For instance, the "Elevated Human Connection" has a phrase "Dream and dare together" connected to it. You can see that you have succeeded when people do something and see that it is "on brand" and then says out loud that this was exactly this "dreaming and daring" (SF1)*

The importance of successful brand implementation on the everyday level lies in the fact that it is the staff of the company that interacts with the external stakeholders, which makes them the brand's interface towards the outside world. SF1 explains that the goal in their company has been to get the brand know-how as close as possible to the touch points where the customer meets the company. If the people operating in each touch point know what kind of image they are expected to transmit, the customer experience will be more unified and consistent.

When the brand has been successfully implemented throughout the company from the abstract level of brand manuals into the practical level of touch-point behaviour, it is time to think of how it will be maintained as the company grows.

Both MP5 and SF1 acknowledge that recruiting decisions are a crucial part of managing the corporate culture of a growing startup. MP5 advices to recruit people who share the company values as they will fit right in and start contributing to the wanted brand image since day one.

> *Then the thing of how are we keeping the brand in line, we get to the recruiting decision that are we hiring just anybody or do we take people who buy our why, buy our values and slide right in and when someone from outside meets this new guy, the brand image will be consistent. It comes precisely from inside. (MP5)*

As the company grows it needs to be careful with the recruitment decisions and instead of only hiring the talent with the highest substance capabilities, they should primarily hire people who have the correct cultural fit.

> *Teaching the substance is much easier than rooting the culture and value system. The set of values means everything because it has a direct influence on the corporate brand. (MP5)*

A practical example of the recruitment process was given by SF1 who explained that during the interviews they strictly state their values to the applicant and inform them that they are expected to commit hundred percent to those values if they are hired. This procedure can help filtering out applicants who might not feel a strong connection with the brand.

6.4 Liability of Smallness

Brand building in startups is characterized by a specific set of challenges that are not met in more established companies. Tackling these challenges of smallness and newness require a specific attitude that is sometimes referred to as "fake it till you make it". This chapter provides practitioners' perspectives to this peculiar phenomenon.

According to MP6 a lot of startups get stuck on the idea that they can't do branding well because they don't have the money, but in reality, brand building is more about the will than the resources. MP5 adds that what startups lack in money, they make up in available time.

> *A small startup doesn't have the money but they have the most time, and that is practically free of charge, or at least it should be. The mindset should be that in the beginning we will use our time for this. (MP5)*

MP2 mentions that he often hears complaints of branding being expensive and difficult, which he responds by saying that brand building is very simple, but it is also very slow. He acknowledges that the slowness makes it difficult to build a brand in the hectic startup world where everybody is rushing to raise funding, and nobody has time to stop and savour the moments.

> *Now that we talk about branding in startups where you should quickly get the seed funding and you have already the revenue model figured out and the production and the technologies planned, so the reason it goes wrong here is that there is no time to stop and reflect. This is precisely the moment when you should take that gadget or application for a trip in the forest, smoke enormous amounts of opium, talk to it and when you believe yourself that this is that certain kind of a character [brand persona], then it will come alive. (MP2)*

The methods for clarifying the brand persona may vary but the main lesson from MP2 is that the startups should leverage the resources they have, to acquire the ones they don't, namely using their time to build the brand which in turn helps getting the funding.

Small startups striving to sell their dream to clients and investors often need to compensate the lack of credibility by trying to appear bigger than they are. Although sometimes criticised by the general public, this practice was widely supported by all of the participants of this study. Here are some anecdotes on how the practitioners saw the concept of "fake it till you make it".

> *I feel that it means daring to say big things which you believe in yourself, about places where you are going to but where you haven't arrived yet. It's kind of a forward lean or a gradient, it is how steeply you dare to lean forward. I think its only a positive thing. I don't think it should be fake it TILL you make it, but instead you should always have that small forward lean and trust that this will go forward, and we go to the moon with this. (MP1)*

SF2 supports this by saying that in startups it is beneficial to be slightly overconfident, as long as the confidence is at least somehow grounded in reality. MP7 agrees with the previous in that daring to dream big is only a positive thing.

> *I don't think that having a big dream is faking it. If you have a good why, you are not selling shit! It's not about being fake, it's about maybe dreaming beyond what other people might dream. (MP7)*

Constantly stretching beyond the comfort zone and operating at the limits of one's capabilities are essential elements of growing a startup. SF2 says that for the startup to grow, the team needs to be growing on a faster pace than the startup itself. MP6 explains how this dynamic is manifested in the sales context.

> *You have to act bigger than you are so you get the deal. When the client asks if you can do it, you say you can. When you sell, you have to sell a bit bigger and a bit more than what you have probably even done before in reality. (MP6)*

MP5 points out that appearing bigger is particularly important when pitching to investors because you are selling them the dream of what you could accomplish if they gave you money and not so much about where you are now.

> *You can pretend that if we would have this money, we could do these things that serve this particular group of customers and that's the good kind of faking. I see it so that we have a competency gap and we need to do things that we need to recruit more people for. I don't see that its faking if you say that with this funding, in three years we would be here. That's still ok, but if you start talking that in ten years we would be in this place and if we would get money now we could get there, then that's wrong kind of faking. (MP5)*

SF2 acknowledges that in the uncertainty which is commonly surrounding the startups, appearing bigger and more established can be an important source of trust for external stakeholders.

> *Now in startups the core thing is that when you are small, lacking resources and credibility, it is important to master the basic art of war, which is to appear bigger than you are. That's how you create credibility. As such there is no value in being a big company, but it does bring trust which is the main point. When we went to abroad, ten out of thirty of the first foreign customers we talked to, asked if we will still exist after half a year. (SF2)*

So, appearing bigger in the beginning is important, but equally important is to know your limits. MP6 stresses the role of the founders in constantly being aware of the limits of their capabilities and not promising something that they know they cannot make happen.

> *I have always said that the "Fake it" needs to be of the size of a "Fake it" that you don't lose your sleep at night. Its sort of a measurement that many people start stressing out, waking up in the middle of the night, and you know that if that happens, you have promised too much. (MP6)*

MP5 agrees on knowing your personal limits but also explains how over-promising can be the enabler of growth for the team's collective competence.

> *Personally, I have had a rule that I do not fake things that I know are not realistically done by any of our team. But you can fake it if you know that you are not a world class pro at something but that your team could acquire the needed skill in short term, then you can say that you can make it happen. The faking needs to be linked in reality. You must know that you already have competence and you are close so if you could get funding now, you could make it happen. (MP5)*

Faking it till you make it can massively backfire as was pointed out by SF1 who mentioned Theranos as an example of how the faking was taken too far. Theranos was a health-tech company that rose to the valuation of 10 billion dollars based on false claims and eventually went bankrupt after the faking was discovered.

Theranos, is a good example of how you should not do it but the fact that you appear believing yourself in what you are doing, even if the faith would not always be perfect, that is part of entrepreneurship. That you are in constant uncertainty without validation of the sensibility of what you are doing but you have to believe in it yourself. (SF1)

Much in the same way as the flight attendants can turn fake smiling into natural smiling by persistent effort, so can the entrepreneurs psyche themselves into believing their mission hundred percent. SF1 adds that this faith cannot be blind faith, but one needs to be critical enough while still looking like you are confidently standing behind the cause. Moreover, SF1 questions the need for appearing bigger and proposes a new perspective on the issue.

The point is not if you look bigger or smaller than you are but in that you need to develop the customer experience as fast as possible so that the customer experience is better than what you could expect from a company of that size. Then you are creating draft towards growth and the image is formed partly from that and naturally you should tell people about all your successes, but honesty must be maintained. (SF1)

Yet another interesting perspective on the topic was provided by MP4 who described a startup strategy where the aim is in the exit and not in building the company in the long run.

If you wanna fake it till you make it you don't actually have to believe that you will finish the race. Its like that when you go watch a marathon, you always have one guy leading up until 25-30k, his aim was never to finish, his aim was to get the glory up until 25km because he ran out. He is in the spotlight the majority of the race, he gets the most visibility and then he drops. When you think about all the sponsorships he has, he is just cashing in because he is the one you are filming for half of the race. (MP4)

In the startup context this would mean that the company starts off by creating a hype around their product but instead of aiming to build the company till infinity, they aim at getting acquired by another much larger company in the field.

For example, if you think of the VR world at the moment, we have this fantastic interesting Finnish company called Varjo with an extraordinary product, which is very unavailable. And the hype is huge. And they are freaking miles ahead of everyone else who are releasing new VR goggles all the time. Now which one will last longer? Varjo or Oculus? I mean seriously, Varjo is not in it for the long game, they get acquired by Oculus probably on some point. But who is winning? (MP4)

6.5 Angel investor behaviour

A large part of seed-stage funding in startups comes from business angels, which is a diverse group of people with different backgrounds and behavioural tendencies. SF2 tells that the angel investor's background influences how they will perceive the investment opportunity. An investor with background in finance will pay more attention to the financial modelling and calculations than an entrepreneur-investor who would see the opportunity from the perspective of the founder and the team. Investor's behaviour is also influenced by whether they are professional or non-professional investors. AI2 explains that many of the non-professional angel investors behave much like the group of informal early investors called the FFF (Friends, Family & Fools) with the difference that they tend to invest larger sums. Both AI2 and AI1 mention that professional investors tend to have a more rigorous due diligence process than the non-professional investors and that their behaviour is closer to the more careful style of VC fund managers.

> *Quite often the situation is that there is something but when you start investigating closer you find such deal-killers that you can't continue. It's very common. These are things that professionals go through every time. We perform due diligence to the firm in many ways. (AI1)*

SF2 supports the view of professionals being more careful by commenting that in the early stages the professional investors are mostly looking for reasons why they should not invest. He sees that the non-professional investors concentrate more on positive things and looking for reasons why they should make the investment. AI1 offers another possible difference by mentioning that gut feeling decisions are common among non-professional investors but the ones who invest professionally do not make decisions based on gut feeling.

Another variable in investor behaviour is the different motivations people have for investing. It would be easy to consider angel investment a strictly economic activity, but the example given by MP2 tells a different story.

> *One investor told me that he is not getting into venture capital in order to get more money, as he already has enough wealth to easily lead a petty bourgeoisie lifestyle till his grave. Instead, he gets involved so that he can momentarily gain the drive of the young, passioned team. (MP2)*

MP3 explains that if the investors wanted to make a lot of money, they wouldn't be engaging in angel investment. Instead of pursuing profits, they are motivated by finding interesting ways to spend their time.

> *If they wanted to make money they would be working on funds and banking. Ex-bankers and people that decided not to sell their soul anymore and they actually want to work with people and do things that matter. They want that personal*

relationship, they wanna mentor, coach, guide, they wanna learn themselves. (MP3)

AI2 agrees with this by saying that if he would look at it from a purely financial perspective, he would not be investing in startups. Instead he views it as a learning opportunity.

I like to keep track of what's going on in the world. Every company functions differently, on different markets, with different products so from every case I learn a lot. (AI2)

Because angel investment is inherently a social activity, MP3 suggests that the entrepreneurs should think about how they could provide social value for investors in forms of learning, new perspectives and personal development.

And you gotta look at it that way, what can you offer them? what can you teach them? what insights open eyes? how do you make them a better person coming out of it as well. (MP3)

Doing things that matter was a topic that arose often when discussing the motivations of angel investors. MP7 describes that in his conversations with angel investors, the impact was considered even more important than the team.

I was talking to some investors recently and they actually said that above team is impact. Impact is now on top of the list. Will you be making an impact? A startup should not exist if it doesn't make impact. (MP7)

The impact forms a direct link to the purpose of the company which is described in the why-statement. According to MP7 the why-statement is comprised of two components which are the contribution and the impact. The importance of impact gets support from SF2 who explains about the motivations that they discovered by surveying investors who had participated in their crowd-funding campaign.

We have few thousand investors and we called several hundred of them asking why they had invested, and the three central things were that they saw in our firm the kind of change they saw happening in this world. The fact that we were doing good things and that there was a big opportunity here. (SF2)

However, AI2 reminds that the importance paid to the venture's impact is field dependent, less important in e-commerce than in biotech for instance. SF2 explains about another thing they learned from their investors, which is that many of the people had invested because of the potential of social status that comes from having been one of the early investors in a successful company. He also emphasizes the role of strong branding in creating this feeling in investors.

One thing that didn't come up in the survey but did in the conversations, was the kind of social status. Everybody wants to be right, for example the early investors *of Google have surely succeeded well financially but they can also tell the story that they had participated in this kind of a thing that became a success. And the brand of our company is so positive that everybody wants to flag for the fact that they have invested in it. It's a good thing, and the strong brand and strong storytelling and that there are no big inconsistencies here have made it so that they want to be part of this. (SF2)*

6.6 Decision-making criteria

The three main decision-making criteria according to AI1 are the team, the market potential and the product or service. He lists that other things to consider are if there is a real problem being solved, if the investor can add value to the company, if it is scalable, and is the used technology emerging or outdated. MP1, AI1, SF2 all underlined the importance of the team's credibility and SF2 connected the belief in the brand with the belief in the founding team. AI1 explains that the team analysis is a fundamental part of the investment opportunity evaluation and it involves individually evaluating the founding members' passion, competence and braveness. Both MP1 and AI1 describe that when it comes to evaluating passion, the team's action speaks louder than words.

Passion is easily evaluated. If the guy says he has been doing this for year and a half with no salary, he has passion. But if he says that he will jump into the firm when you start paying him salary, then it's a different story. (AI1)

According to MP7 the team's competence is also easy to measure as it shows in the results of their work. He says that teams that have the passion and competence, too often lack the braveness.

Regrettably many teams lack the braveness, you have the passion and competence, but you don't dare to put your skin in the game. That they don't get personal loans to jump into their thing, then they will be dropped out. (AI1)

The team's passion emerged as one of the most important criteria in team evaluation. Both MP6 and AI1 point out that the investors invest in people who believe in what they are doing and can get other people excited about it as well. SF2 brings up the common problem that Finnish startup teams have the passion in them but they don't express it and then struggle with creating enthusiasm around their venture. MP5 acknowledges this problem and asserts that the teams need to learn how to communicate their passion to others.
Another salient theme in discussions about the decision-making criteria was the founding team's credibility. SF2 explains about one form of credibility which is the team's credibility in the specific field and path they have chosen.

Inexperience doesn't have a large role in my opinion, although it always helps if one of the founders had already walked the path they are heading towards. Knows

> *the market for example. Or if someone knows very well the customer's problem they are solving. Even better if they have personal experience of the problem in question. (SF2)*

This was supported by AI2 who explained that the team's expertise on the customer's problem is essential and quick answers to the related questions demonstrate that the team knows what they are doing. MP7 tells that the concrete foundations need to be in place, but argues that ultimately the investors are investing in your purpose.

> *In order to get people to trust you, you have to have something solid, but why you did it is the reason they come to the table. Your why, is the reason any investors are going to take interest. (MP7)*

MP3 agrees with this view and mentions that the purpose and beliefs guiding the founders serve for the investor as an indicator about the direction the team is heading.

> *So the person you are behind that, the values, the idea, the relationship, the belief they have in you as a person, is probably the strongest indicator of where they can go in the future with you. So believe in something. Stand for something. (MP3)*

6.6.1 Credibility

Both MP6 and SF2 agree that trust in the team and the credibility of the startup are primarily created through the corporate brand. MP6 adds that the brand needs to be purposefully and strategically built.

> *And this is very important for startups, because many people think that it doesn't matter what kind of logo or name we have, as long as we have a website, as long as there is something about us. Then they snap some photos on their mobile and some sister's friend's cousin writes some texts. Then they go pitching to investors and wonder "we have such a great thing going and this app is so kick-ass" - but it doesn't look like it, it's not credible. (MP6)*

According to MP6 the effect of a convincing corporate brand and visual identity is two-fold. Firstly, it infuses the presented business idea with perceived credibility and secondly it increases the presenter's confidence, which in turn is perceived as credibility by the investors.

> *When the investor deck is looking good you will present it with more confidence, you don't have to apologise and say sorry that this looks a bit just like this. Then the investors will sense that you are serious. Then the passion transmits. (MP6)*

This got support from AI2 who mentioned that carefully prepared and stylish presentation materials convey a feeling that the case is well thought out and then it doesn't really matter whether the company has 100 or 300 customers. MP1 offers a slightly different perspective by saying that the early image building in startups should be focused more on concrete things such as reference clients.

> *For instance, when we are talking about the reference clients, it is significantly more important to get three logos from your clients than to have a beautiful and wittily written presentation deck. (MP1)*

Adding the reference clients' logos on the website and presentations was also advocated by AI2 who reminded that in case the company doesn't have any significant clients yet, they can gain credibility by displaying logos of partners or media logos together with press quotes.

6.6.2 Social validation

The social networks of founders and investors play a major role in building trust. MP1 mentions that the people who have trusted the team enough to become company's advisors can lend their credibility to the team. AI2 gives support to the importance of advisory boards but reminds that often the boards are considered quite nominal, so it is good to make sure the board members are clear of their involvement in case someone calls to check. SF2 lists the possible earlier investors and any major clients as major contributors to the startup's credibility.

> *The bigger partners you have, or the better investors are backing you, the more credible you are commercially. Network effect, who knows who and has someone already been able to build trust through personal networks. (SF2)*

SF2 describes the investors as herd animals who follow where everyone else is going and rely heavily on recommendations from their friends. AI2 explains that it is easier to invest in a company if a friend has already invested before because then less work is needed for validation and due diligence as the others have likely asked the hard questions already. SF2 mentions that the trust and personal introductions you can leverage from your networks are vital to startup fund raising since directly contacting the investors rarely succeeds. The introductions function as a trust reinforcing gates where the introducer is lending their status to the one being introduced.

> *Whether I pass on as an intro to someone I know depends on if it is the kind of person I could personally trust. But every incongruency quickly causes that you don't feel comfortable using your position of trustee. This is how trust works in networks and especially with growth companies and investors. (SF2)*

6.6.3 Personal Chemistry

Since angel investing is more about the social value and relationships than it is about making money, the personal chemistries between the founders and investors become a central element of the evaluation process. AI2 tells that because he doesn't really need to be investing if he doesn't want to, he prefers to invest in people who he gets along with nicely.

> *Some investments I have made purely because I like what the company does. I got into one board game company. As a business case it's probably not so crazy good but I like board games and I liked those guys. (AI2)*

SF2 explains that you don't have to be the best friends, but the social matching definitely helps along the way. He also adds that the investor's user-experience should be treated with equal importance than the customer's user-experience.

> *One of the core things are the weak signals you use communicating with the investor. Whether it's a call, text or lunch, the materials, how long it takes for you to reply, many investors say directly that if they are not getting answers quick and clear they will skip out. This is how people are subconsciously reading each other all the time. (SF2)*

According to AI2 the reasons for rejecting a case could be that working with the founder wouldn't feel meaningful to him or the founder's personality is such that he doesn't believe he could talk the rest of the world on his side. The experience of MP6 in angel investing is that the reasons why investor's reject certain candidates can be seemingly unrelated to the business and they are rarely openly spoken about in the pitching situation.

> *Along the years I have noticed that every time the presentation gets rejected so that nobody invests, it is always done based on "you didn't have enough customer experience and goals, you are lacking this and that" but then comes the informal conversation somewhere along the dinner and then we often get to "well I couldn't really understand much of his presentation" if it has been a Finnish Swede for instance. At the end of the day they are bizarre things about the person's clothes, appearance, how much they scrambled with the presentation tools. And then even good ideas can get rejected. (MP6)*

6.7 Investor gut feeling

As the previous anecdote demonstrates, the investment decisions are sometimes influenced by subconscious matters and personal attitudes that are difficult to elaborate in words. MP6 shared an enlightening example of how one investor had described his decision-making process.

> *Many people say that such thing as intuition doesn't exist. The other week I was debating about this with one man and I asked him how he calls it? Then he said that there is no such thing in the first place. Then he finally said instinct. That of course he has this kind of primitive hunter's instinct. Okay, we can call it instinct, but I think it is the same as intuition which is the same as subconsciousness. And*

then we get to the brand building and the emotions. But the people are not able to think about it in that way. (MP6)

AI2 agrees that there is a slightly more conservative group of investors who think it is a strange idea that emotions would influence decision-making but usually the younger crowd understands it perfectly and fully admits that sometimes the emotions can influence decisions even a bit too much.

MP6 says that although there are all kinds of rational analyses involved in the beginning, the final decision is always based on some sort of gut feel or instinct. SF2 agrees by saying that probably 80 percent of the final investment decision is intuition and especially so when investing in startups.

In the end, whether the thumb goes up or down is always a pretty feeling-based decision. It is based on a feeling because there is no certainty in any of these things. (SF2)

Uncertainty about the information related to startups seems to be the reason why intuition is needed in the first place. AI2 explains that many of the founding team's core qualities are impossible to quantify, yet they are tremendously important for the venture's success. MP3 follows along the same lines with the previous by stating that after the rational analysis is done, the decision is ultimately based on a gut feeling that comprises of many things.

My experience with the angels I've worked with is that if the numbers check out, the facts check out, but the decision between five different companies they have to do, they are gonna go with the one that feels right. It sounds like: "But I thought this was a science" but it's not. The personality of the person, the vibe, the belief they have in that person, makes the final decision. They go with a lot of feeling. (MP3)

On a similar note AI2 tells that once the basic things like market credibility and convincing product are in order, the ultimate investment decision purely depends on whether he believes that the team is capable of taking over a share of the market. He would not downplay the importance of emotions but rather try to increase the use of available facts.

A curious contradiction arose when two of the interviewees compared angel investment to forming any long-term relationship but with completely opposing approaches. MP6 says that you can do all sorts of personality tests and analysis to your new recruit or your date but ultimately you make the decision with your gut. On the other hand, AI1 tells that precisely because angel investment is about forming a long-term relationship and not a one-time purchase, it should be approached more analytically.

6.8 Importance of emotion

Based on the interviews it is quite clear that emotions have a major influence in angel investor's decision-making, but is this only specific to the very early stage investments? Most of the interviewees agreed that the influence of emotions decreases, and the rational factors are emphasized as the company moves from seed-stage towards listing to stock exchange. AI1 explains that this happens because the intangible factors hidden in the company's invisible balance sheet move to the visible balance sheet where they can be quantified and analysed with traditional methods. AI2 agrees that the need for intuition decreases as more information becomes available but he also questions the use of spreadsheet-heavy analysis in the early stages.

> *The more evidence there is that the thing is rocking, the less room there is for intuition. For this reason, I don't think these excel things work so well in startups when compared to more advanced cases. Whereas the stock-market analysis should be purely excel-driven because there is data available. In a startup you have nothing to be put in excels. (AI2)*

Interestingly both MP3 and SF2 describe the importance of emotion starting high in angel investment, lowering in the following stages but becoming important again when the company is traded publicly in stock market.

> *When you get at series A and B its more like show us the numbers, show us the economics, show us the roadmap. It is not really at that point it affects. There is probably kind of reverse bell-curve that goes on from here, you start off with the emotion and the personality, then its build up the numbers, then get to the point of the IPO. (MP3)*

> *I think the rational side is emphasized the further you go. Of course, when you start to see performance and you see where you are going. But probably the final investment decision is still made with a feeling up to some point - or not even some point because its exactly the same thing in the listed companies. (SF2)*

MP3 suggests that the reason this reverse bell-curve happens is that in the beginning the angel investor is emotionally affected by the vision of the founding team in a same way as later the public is affected by the vision of the company whose shares they are buying.

> *And that's when you have that belief in a better world. The same idea that an angel investor will believe with their heart, then you get to the IPO, everyone wants to believe in better future, they also want to believe that they are gonna get rich. And there is this circle going that the more the people believe and valuation goes up, inflated, based on the vision of who this public brand is, the more the valuation will increase. (MP3)*

6.9 Brand's influence on angel investment decisions

Since the brand is functioning mainly on a subconscious level, it is difficult to gain real insights on its influence by the methods of a simple interview. However, the questions did reveal interesting aspect of what people *think* the role of branding is in this context. MP6 tells about how angel investors tend to explain what influences the gut-feeling that leads to the investment decision.

> *I know a lot of private investors and business angels and they can't answer that question, they just talk about how the presentation was credible and the numbers were in order, the team was in order, goals were clear, good vision and the product development has good metrics and so on. But honestly you can count with the fingers in one hand how few has said that brand had any influence to it. Because it is subconscious, and they don't know how to say what it is. I believe if you would ask some 50 plus angel investors if the logo or others influenced the decision, they would say that if product and service are good then it has no significance. But that's not how it goes! (MP6)*

MP1 agrees with MP6 by listing that the investors are interested in the numbers, the kind of clients you have and the team, adding that a good investor is not interested in the brand related things such as how your website looks like. Both MP1 and SF2 say that the brand is more important for a company operating in consumer markets than for companies in deep tech or B2B.

> *If you are a big consumer brand and start selling to thousands of people, then the nicer you can make it look will result in more people getting interested and wanting to buy your product. (MP1)*

Even the sceptics acknowledged that there are some invisible factors influencing the startup valuations that seem to go far above what one might expect. AI1 explains the struggle in understanding these forces.

> *This is the basic question I am currently pondering too, that how this gap could be expanded. Why are people paying several millions for a three-person company when there is nothing else than the three guys and a laptop? (AI1)*

According to AI1 the mechanism behind this is called the invisible balance-sheet which consists of the people in the team and their qualities which gradually start contributing more and more to the visible balance sheet as the company grows. The question of whether the brand could be oriented specifically towards the investors was met with a strict answer from AI1.

> *It starts with the thinking that we have a visible and invisible balance sheet in the company. And the thing you are saying is that the invisible balance sheet could somehow be faked, and that maybe works in sales but not in a long-term relationship like this. (AI1)*

Both AI1 and MP1 are adamant in their views that there are no tricks in presenting the brand in a more favourable way to the investors.

> *You can't fake for very long. There are no brand tricks or tools that you could use in selling yourself to the investors. They are ultimately investing in the business that revolves around numbers and those are hard to fake. (MP1)*

AI1 admits that the brand surely influences by raising the interest of the investor and goes on describing how branding could benefit the startup in this context.

> *If we think of building the image or the brand towards the investor, then if you could bring these things realistically along like this is how I have been operating and this is how I am. So, then he is building like a real image and not a so-called brand-image. (AI1)*

On a similar tone AI2 tells that the brand's integrity has a major influence on how credible the startup appears to be. He explains that if, for example, the tone of voice in the presentation material differs greatly from how the team communicates, it gives an image that there is likely some added extra that is not sustainable. A coherent brand in turn makes it easier for the investor to understand the case and make the subsequent investment decision.

> *Then if its well-thought, starting from the first slide everything is coherent, the colour schemes, logo, firm name, slogans, pictures, when the story is coherent you get a grip of it easier and it is easier to buy it. Then it is probably easier for the clients to buy it too. If it is a confusing mishmash that is difficult for me to understand, then I don't think anybody else will understand it either, so I'm not going to invest in it. (AI2)*

7 DISCUSSION

This study set off to define the best practices for brand building in startups by interviewing marketing professionals and startup entrepreneurs. The second objective was to describe the content and process of brand building in startup companies. The third goal was to examine corporate branding in the context of venture funding in order to explore the possible connection between branding and angel investor decision-making. The empirical data for this study was collected through a qualitative case study where thematic interviews were had with marketing professionals, startup founders and angel investors. This chapter will discuss the findings of the study by reflecting them on the theoretical framework and finally combining the empirical data with the extant theory to answer the research questions. Based on the findings, some theoretical and practical implications will also be presented. In the last part of this chapter the limitations of the study are discussed and topics for future research are suggested.

Early on in this study it became apparent both in the literature review as well as the empirical research, that the usage of vocabulary around brand building is rather colourful and there is a significant lack of common definitions for the term. However, it was delightful to notice that although the interviewees used slightly different terms, they were still clearly talking about the same concepts that were previously discussed in the academic literature. Next, the descriptions given by the interviewees are combined in Figure 10 with the brand building model of Rode & Vallaster (2005) to visually illustrate what is meant by the corporate brand in this study.

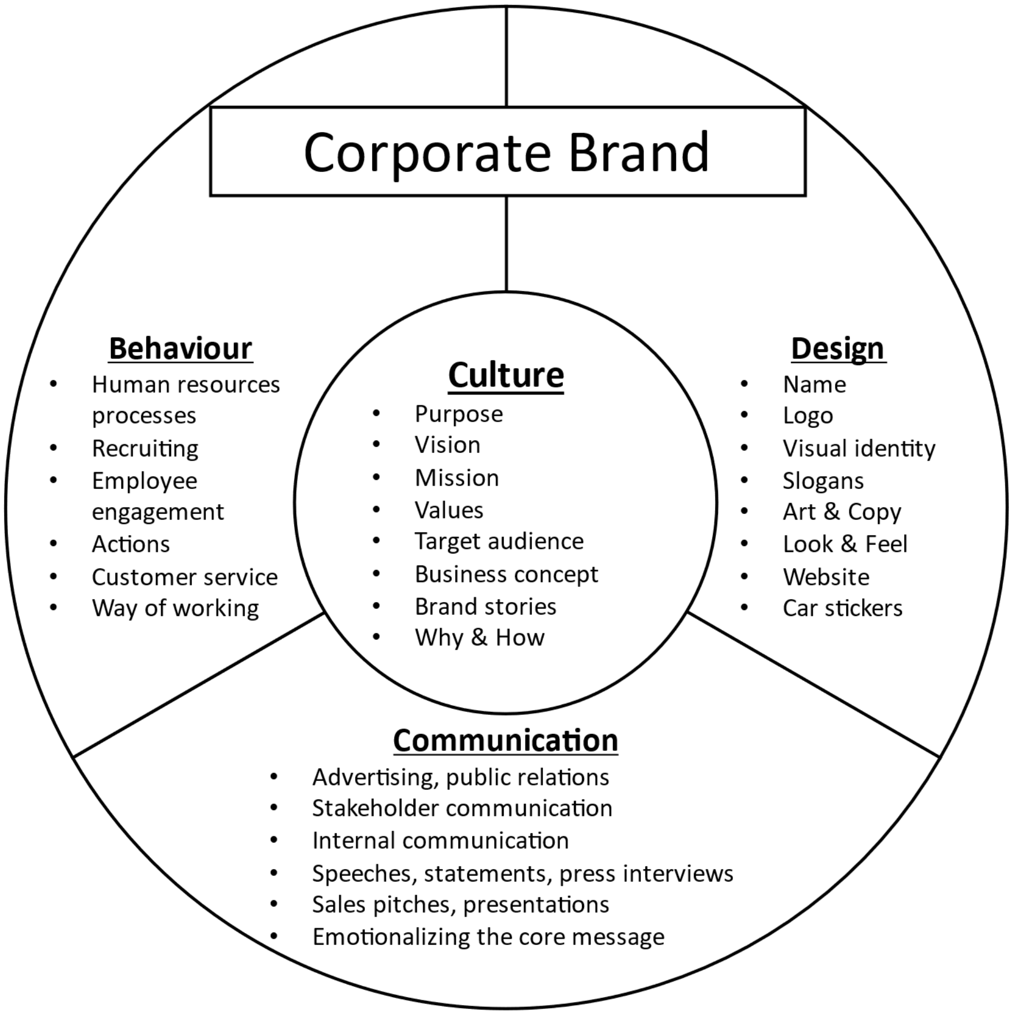

Figure 10 Visual definition of corporate brand

In general, the empirical findings fit well with the multifaceted nature of corporate brand described in the literature, but one thing stood out from interviews with marketing professionals. Many of them began defining the term by specifically stating that the brand is not the logo and it is not the visual identity. While acknowledging that the visual design does play a role in brand building, its significance was heavily downplayed by many of the practitioners. This is likely a counter-reaction to the popular misconception where brand is seen only as a superficial fabrication manifested in pretty visuals and a cool logos. Both the theoretical and empirical findings supported a more profound and holistic view of brand building, very much the opposite to the simplistic and visually focused popular view.

The interviews confirmed the observations of Wong & Merrilees (2005) who pointed out that the lack of knowledge on branding and the general dislike of the term can hinder brand building in SMEs. In part, this research aims to alleviate this problem by familiarizing the reader with what brand building is and what are the benefits it can bring for a startup. To further clarify the meaning of corporate brand in the context of startups seeking venture funding, the following working definition is formed:

> *Corporate brand of a startup is the unique set of emotional associations that form the core of a shared internal identity and define the founding team's image in the minds of external stakeholders. In practice the brand manifests in what the team says, does, how the startup looks like and what kind of story it tells.*

Now that the table is set with a proper definition of the core concept, we can move on to discuss the first research question which provides a set of practical guidelines for brand building in startups.

7.1 RQ1: What are the best practices of brand building in startups?

In the branding literature there is a clear consensus that the right time to start building the corporate brand is as soon as the idea for the business is born. As Merrilees (2007) pointed out, the brand should be used as a focusing tool in clarifying the business model. The interviewed marketing professionals supported the early start view and pointed out that brand building is a continuous process that should be considered a long-term investment. The benefit of the early start is that it allows more room for experimentation before the company grows and changes to the brand become more costly. In the beginning of the building process it is important to benchmark brands both globally and across industries. Benchmarking is an important stage as analysing other brands develops the founders' own thinking about the corporate brand.

When building brands it is important to recognize that they function mainly on subconscious and emotional level (Boyle, 2003). This was supported by MP2 who mentions that when building a brand, you need to be targeting the emotional part of the brain where we don't have the defences of rational thinking, precisely as was advised by Sinek (2008). An emotionally charged brand story has a higher potential of being shared by the press, as was mentioned by MP7, but the emotional response can also influence positively the angel investor decision-making process, as was demonstrated by Snellman and Cacciotti (2019). Sinek (2008) proposed the idea of emphasizing the company's purpose (WHY), over its products and services (WHAT) because the relationships are built on an emotional, not on a rational level. This view was specifically supported by MP3 who advised the startups to keep their brand and business separate, reminding that the thing they should be really selling is the team's purpose and belief in their mission.

According to the marketing practitioners, the startups often cite their lack of resources as the main reason for not engaging in brand building activities. Abimbola (2001) agrees that the lack of resources allows only a small margin of error but, as Centeno et al. (2013) suggests, this lack can actually increase the startup's creativity which is a key element in effective brand building. The interviews with practitioners suggested that contrary to what entrepreneurs tend to think, brand building doesn't require a lot of skill or money, but it does require time and willpower. There was a direct contradiction between Wong and Merrilees (2005) saying that startups don't build brands because they lack time, and many of the marketing practitioners saying that time is something the startups have in abundance. As Hirvonen and Laukkanen (2014) noted, often the startups might not have a good understanding of the benefits of branding, so the founders "not having time" could be more indicative of their misplaced priorities than the actual available time. Therefore, the startups should invest the time and creativity they have, into building a brand that helps them getting the money they don't have.

To spark a conversation about the peculiarities of startup branding the interviewees were provoked by asking what "fake it till you make it" means for them in the startup context. This produced surprisingly nuanced descriptions of the specific attitude and philosophy required to cope with the liability of newness that threatens the survival of every young startup. Zott & Huy (2007) propose that startups tend to tackle this problem by signalling legitimacy through symbolic actions that make the company look more bigger and better established than it is. The interviewees agreed that the need for appearing bigger is real, especially for startups aiming for rapid growth by raising angel funding. Being optimistic, slightly over-confident and dreaming big is necessary when presenting the potential of the business opportunity to angel investors but the interviewees also warned that the enthusiasm and grandiose visions need to be strongly grounded in the team's real capabilities. The required attitude was best described as a confident forward lean which is grounded enough so you don't fall on your face.

One thing that strongly emerged from the empirical research was the importance of authenticity as the core philosophy in brand building. This was crystallized in the comment of AI1 who emphasized that the brand building towards investors should be like building a reality-tv brand where the team is presented in the most authentic way possible. MP5 pointed out that although the aspired brand identity can be different from the current reality, it should not be stretched too far as that will be perceived being inauthentic. This tension described by MP5 supports the view proposed by Aaker (1996) who explained that the corporate identity is aspirational, whereas the corporate image is the actual perception the audience holds of the company. The empirical study provided support to the idea that the reality of the brand is out there in the minds of the external stakeholders, and not in the image the founders have of themselves. Two of the marketing practitioners specifically underlined the importance of constant external feedback in the building process, the same was suggested by Juntunen et al. (2010).

A common advice found both in literature as well as the empirical data was that the brand should be built in a constant interaction with the customer. In practice this means organizing workshops where the feelings and opinions of the customer are mapped. The insights can also be gathered through online questionnaires or asking opinions on online discussion boards where even niche segments can be reached easily. In the startup context the feedback can be gathered from any other stakeholders if the company doesn't have customers yet.

Everybody agreed on the importance of feedback but one marketing professional raised the discussion on priorities and brand integrity. MP2 acknowledged that involving the customer is generally advisable but noted that too strong customer orientation is a sort of prostitution and big things are built by not listening to the customer. A similar issue was described by Hirvonen and Laukkanen (2014) as the conflict between market orientation where the customer's needs are in central focus, and brand orientation where the integrity of the brand is prioritized. Urde et al. (2013) explain that in market orientation (also known as customer orientation) the image-driven development of the brand is guided by the wants and needs of the customers, often sacrificing the integrity of the brand. This contrasts with the brand-oriented approach where the brand is built inside out, prioritizing the company's vision, mission and values over the wants and needs of the customers. MP2 gave another argument in favour of brand orientation by explaining that the brand builder should be building the brand not for the customer but for themselves, because only by getting the team to believe in the brand can they convince the customer to believe in it too. This observation supports Juntunen et al. (2010) in that brand orientation facilitates the indirect translation of corporate identity into external corporate image.

These advices might seem contradictory at first, but when put together they provide a golden advice. The brand of a startup should be built with the mentality of building it for yourself, staying true to your purpose and only bending to the wills of the customer within the boundaries of your brand identity. However, you must not forget that the reality is not what *you* think of your brand but what the *customer* thinks. So, the feedback is required to assure the customer sees you the way that you aspire to be seen, and then adjusting your communication accordingly. This will lead you towards the ideal brand point where the external image is almost identical to the internal identity, as described by Witt & Rode (2005).

There was a strong consensus both in the literature and among the interviewees that in the beginning the personal brand of the founder is the brand of the company. Although the corporate brand originates from the founder's personal brand, the respondents agreed with Juntunen et al (2010) in that the two brands will separate as the team grows bigger. Boyle (2003) suggests that the corporate brands built on the founder's personal brand tend to be more successful. This was supported by one marketing practitioner who explained that it is better to have roots in the personal brand, so the corporate brand doesn't become a complete theatre.

7.2 RQ2: What is the process of corporate branding in startups?

7.2.1 Brand building process

The theoretical framework of the brand building process used in this research was compiled from the models of Rode & Vallaster (2005) and Juntunen et al. (2010). Juntunen et al. (2010) divided the brand building functions based on the growth stage of the company into pre-establishment stage and early growth stage. The empirical findings showed that there was an order of priority in which the functions of the brand building process were to be completed. As some functions were necessary building blocks for others, the two groups that emerged are called laying the foundations and living the brand. The process that emerged from empirical data was mostly in line with the one proposed by Juntunen et al. (2010). The differences can be partly explained by the different perspective this study had compared to the one of Juntunen et al. (2010), namely the external perspective of the marketing professionals vs. the internal perspective of the founders. This chapter will combine the brand building process described in literature review with the interviews of marketing professionals and startup founders to construct an empirically grounded framework for corporate brand building in startups.

Corporate culture

Juntunen et al. (2010) takes a pragmatic start to the process by listing the development of business idea, the company structure and its unique characteristics as the very first tasks to tackle when starting to build the corporate brand. Rode and Vallaster (2005) call this step as defining the business concept. In the interviews this was regarded as asking the very basic questions which MP3 brilliantly condensed into who, what, when, where, why, how. These questions describe the company's products and services, their benefits, the target customers and their reasons for purchase.

Purpose / Why

Once the basic business concept is laid out, the next step is to define the company's purpose. To describe this phase, many of the marketing professionals used the terminology of Sinek (2008), and MP7 explicitly mentioned that their agency's purpose-defining workshops are based on the books of Sinek. Defining the purpose was described as understanding the startup's place in the universe, defining it's reason of existence and describing the way the company serves its customers. These are in line with both Sinek (2008) Golden Circle -model and Rode & Vallaster (2005) who explained that the formation of corporate culture, or the brand core, starts by answering the questions of "Who are we?" and "What would there be if we did not exist?". The purpose of the company is captured in a why-statement which describes firstly the company's contribution and secondly, the company's impact. The why-statement serves as source material for formulating the company's core message, designing visual identity, creating the value proposition and writing the brand story. The next two foundational questions proposed by Rode & Vallaster (2005) are "Where are we going?" and "What differentiates us from others". These questions relate to the Sinek (2008) model's level of HOW and they are answered by defining the company's vision, mission and value proposition.

Core message

With these elements defined, it is now possible to create the core message and its supporting messages. MP7 called them the H1, H2, H3, referring to the use of these messages as the headers on the company's website. Krake (2005) advised keeping the core message concise by focusing only on one or two main brand associations. MP2 placed the core message in the spotlight by describing branding as the process of emotionalizing the core message. This supports Boyle (2003) who explained that brand associations function mainly on the emotional level.

Values

The next step towards a consistent brand and a shared identity is defining the company values. As SF1 pointed out, this step of the process cannot be outsourced to outside agencies, but it must be done together with the whole founding team. MP2 reminded that just like in any other relationships, it is important to discuss how the different people understand the words that are used to describe the company values. Juntunen et al. (2010) made an important point by explaining that the values need to be related to the everyday business of the company. This was supported by the empirical findings in that the values need to be actionable in order to be perceived authentic and not just stickers on the walls. Naming the company is a step that Juntunen et al. (2010) suggested to be taken only after the founders have formed a clear picture of their venture's spirit and unique characteristics. In this step it is especially advisable to ask feedback from friends, family or other external stakeholders.

Brand story

Storytelling was referred in the literature as a meaningful way for the external stakeholders to relate with the company (Hatch & Schultz, 2003) as well as a motivator of business angel investment decisions (Martens et al., 2007). Many of the interviewees even described the brand of a startup as simply the story that you tell the investors about your company. The brand story is essentially all the previously defined brand elements assembled in a narrative format that clearly conveys information and sparks an emotional response. It is a story of the company that every team member can repeat, and it serves as the main tool in presenting the company to the investors as well as the press.

Martens et al. (2007) demonstrated that storytelling has a far greater impact on startups getting external funding than what has previously been assumed. The three ways the stories influence the venture funding process are that they convey a comprehensible identity of the company, they help elaborating the logic behind the firm withing a broader context and help in communicating the distinctiveness and originality of the venture. MP7 describes the four key elements that are needed for composing a good story that inspires people to share it forward. The story is often built around the purpose of the company and it needs to be honest, original, relevant and somehow connected with humanity. What Martens et al. (2007) described as placing the firm in a broader context and what MP7 described as relevance, is essentially about placing the brand in the big picture by showing how it connects with current megatrends. This gained support from other interviewees who pointed out that communicating this to the investors shows that the company knows what it is doing, that there is some growth potential and that their mission is relevant to the current society. AI2 adds that although the thing the startup is doing would currently not be a trending topic in the media, it may still be interesting as a phenomenon and with the right angle it can gain the media's interest.

Brand Oriented Strategy

Merrilees (2007) and Krake (2005) advocate the idea of focusing all the startup's limited resources in building the corporate brand instead of stretching them thin between multiple product brands. Furthermore Juntunen et al. (2010) point out that the brand strategy should be aligned with the main business strategy. This was directly supported by MP6 who described the brand building process as baking a layer cake where all the internal processes like HR are connected to the outside facing processes of marketing and media relations in a way that creates a coherent experience of the whole. Also MP5 emphasized the importance of placing brand building on the strategic level of management. Abimbola (2001) mentions that the brand strategy should be implemented by a coherent integration of all the brand elements, instead of focusing only on individual instruments like advertising. The holistic approach to brand-oriented strategy is the only way to assure a high level of brand coherency that is a key element in creating trust with investors. Both SF2 and AI2 made the point that when investors are evaluating startups they are looking for any inconsistencies in the brand as this can give information about the team's trustworthiness.

Visual Identity

Designing the visual identity was described by the marketing professionals as the final step after defining the core brand elements. The reason is that the corporate design is the visual representation of the brand personality (Bresciani & Eppler, 2010), so the core elements need to be clearly defined first. Rode and Vallaster (2005) agrees by stating that not only the corporate design needs to be coherent in itself, but it also needs to be in harmony with the other brand elements of culture, behaviour and communications. Building a professional visual identity requires specific expertise and this is usually the point where the company starts collaborating with an external agency.

Brand Book

All the previous steps are to be documented in a brand book which consists of different manuals that guide the brand building process in-house and serve as briefing material for contracting external designers and content producers. To implement the brand strategy, it is important to clearly define how it manifests in the everyday operations of the company. As SF1 explained, this can be achieved with written event guidelines, social media guidelines and graphic guidelines that describe what is “on-brand” and what is not. SF2 told that in the beginning their founding team discussed what kind of workplace they wanted to create and documented the results into a corporate culture guide that later served as a useful tool for internal branding as well as for recruiting the right kind of people. The process of laying the foundations for the corporate brand so far is illustrated in the figure 11 below and the next chapter will discuss the following phase of brand implementation.

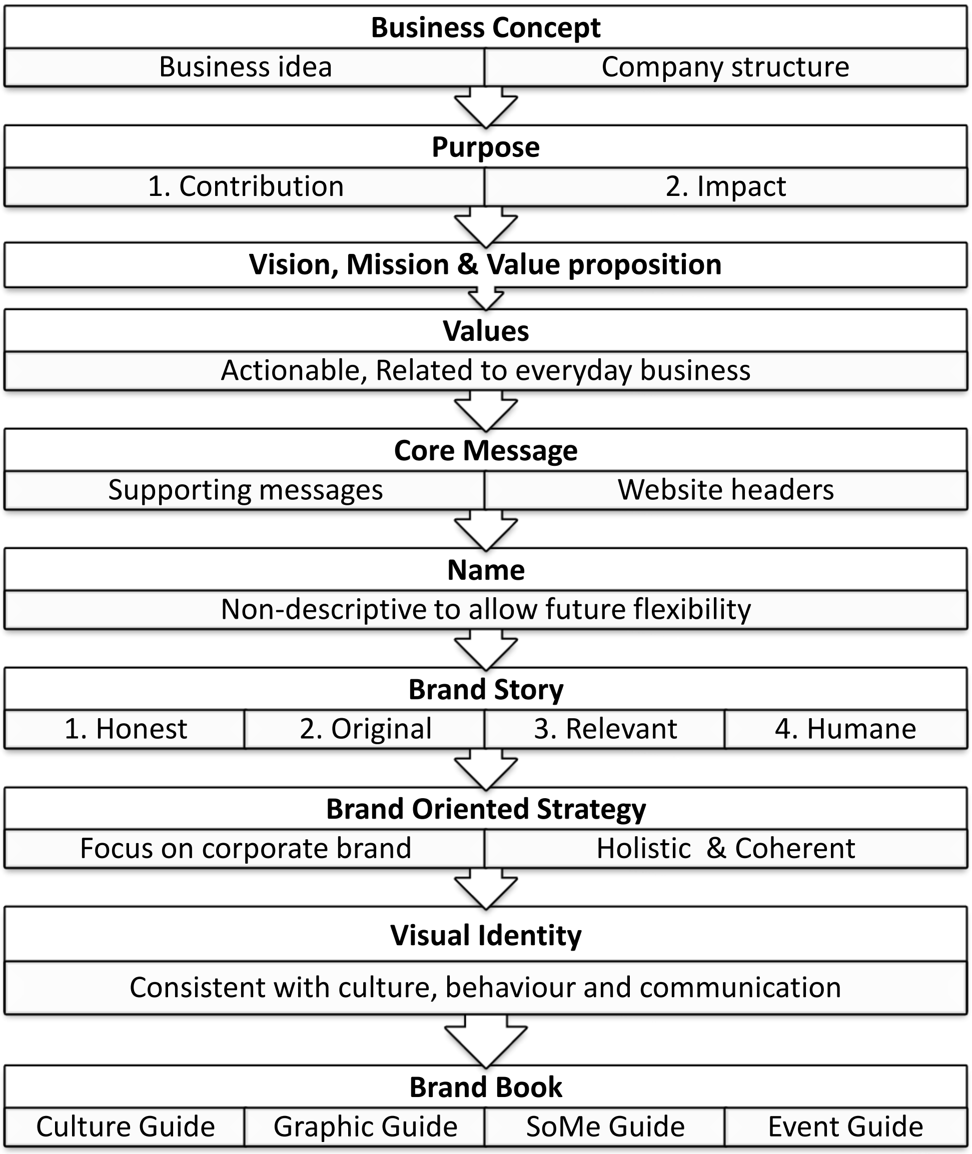

Figure 11 Building the brand foundations

7.2.2 Brand implementation

The brand identity can be transmitted into brand image either directly through external communication or indirectly through the company's employees. In the branding literature the view of building the brand inside-out has recently gained a strong support. Both Witt and Rode (2005) as well as Juntunen et al. (2010) point out that the behaviour and personal relations of the employees with external stakeholders is a significant contributor to the formation of the corporate image. SF1 supports this by explaining that that the external image of the company is a reflection of its corporate culture. According to Krake (2005) the passion is born out of the entrepreneur who spreads it through the company via its internal culture, encouraging the rest of the team to "live the brand" every day (Krake, 2005; Wong & Merrilees, 2005). MP2 explained in a similar manner that first the team needs to have a strong belief in what they are doing so that they can get others to believe in it too. MP5 mentions that before engaging in direct external brand communication, the company should invest considerable effort in building the internal culture on-brand, because if the external communication differs from the behaviour of the founding team it will be perceived as inauthentic. To assure that the team will adopt correct behaviour, it is important to engage the team in developing the corporate culture. This was specifically noted both by Hatch and Schultz (2003) and Juntunen et al. (2010) and supported by the interviews of MP6 and SF1. The team buy-in can be achieved in practice by such simple measures as asking the rest of the team for comments and ideas before implementing them, people tend to support more changes that they feel ownership of.

Once the team stands behind the brand, it is easier to start including the brand elements into every activity the company does. To facilitate the transfer of high-level goals into the daily operations, they need to be translated into practical guidelines relevant to the tasks performed by the team. SF1 tells that in their firm the brand essence presentation was repeated on every Monday meeting to remind the team about their shared values and beliefs. Another way they took the brand into action was through short and memorable catch phrases that described their way of doing things. He also mentioned that physical spaces, originally build to create brand experiences for customers, also influenced the team and encouraged on-brand behaviour.

Juntunen et al. (2010) found in their research that the identity tends to form on its own instead of being deliberately created. This is observation is likely due to the lack of branding expertise held by SMEs in general. However, some support was found for this in the empirical data. SF1 described that they incorporated elements to their brand identity on the go if they felt that they were matching with their values and were relevant to the customers. So there definitely is a more reactive and improvised side to the brand building that happens alongside planning but as Juntunen et al. (2010) advice, to build a coherent brand, all the elements need to be consciously developed towards the aspired identity.

Building a shared identity

Both the theory and empirical findings suggested that achieving a sense of shared identity early on is a vital task for new startups. SF1 provided some practical suggestions for creating the sense of shared identity amongst the founding team. One practice their company had adopted was taking photos of the team doing things that made them feel they were onto something bigger. These photographic narratives reinforced their self-image as a team embarked on a special mission. Another thing they did was to print t-shirts as soon as possible to foster the sense of togetherness through common uniforms. Rode and Vallaster (2005) mention that a key to developing a sense of belonging and identification with the brand among the team is creating internal communication routines that support the corporate brand. SF2 suggested that in practice the routines can be planned with a yearly communications clock that marks all the meetings and hangouts and defines whether the meetings happen in person or remotely as well as other details that contribute to the social experience.

Creating consistent brand communications

The brand image can be indirectly influenced by reinforcing wanted brand identity through internal communication but equally important is the direct influence through consistent external communication. Once the core message and supporting messages have been formulated they need to be consistently communicated through all channels (Keller, 1998; Krake, 2005; Wong & Merrilees, 2005). Consistency really is the key here as it was noted both in various sources of literature as well as by two of the interviewed marketing professionals that the point when you start to get tired of repeating the same message, is the point when it starts to get noticed by the target audience. The message must be consistent over time but also coherent across the different channels. AI1, SF2 and AI2 specifically underlined the importance of coherent brand communications in projecting an image of credibility and creating trust.

Establishing corporate branding relationships

Brands are not built in isolation but rather in networks of different actors that all contribute to the development of the brand. Establishing press relationships was regarded by many academics as an important early brand building activity for startups. It was seen as an efficient and affordable way of leveraging the founder's character and creativity in gaining publicity for the venture. Both SF2 and AI2 advocated the use of public relations in leveraging legitimacy from media coverage. MP7 explained that if the brand story is built respecting the guidelines of being honest, original, relevant and humane, it should be fairly easy to attract media attention. AI2 mentioned that it is important to follow media and to actively think what is the angle that could be used for fitting the story into the current discussion of trending phenomena. So instead of waiting for the public discussion to perfectly hit cord with the brand story, the story can be introduced in an angle that makes it relevant. Other means for establishing branding relationships were listed in the literature by Bresciani and Eppler (2010) who suggested startups in using events as promotional opportunities and Ojasalo et al. (2010) who proposed that the founders should organize seminars on relevant issues they specialize in. Small companies should also explore co-branding opportunities with other more established brands who can lend them their credibility (Juntunen et al., 2010; Krake, 2005; Ojasalo et al., 2008)

Recruiting the right fit

In small companies the people are the brand, and the brand is the people. This means that expanding the team with people who share the company's vision and values becomes one of the most crucial brand building tasks for a startup (Rode & Vallaster, 2005). In line with previous studies MP5 and SF1 acknowledge that recruitment decisions are a crucial part of managing the corporate culture of a growing startup. In terms of the Rode & Vallaster (2005) brand building model this means that there is a strong link between the elements of corporate behaviour and corporate culture. Rode & Vallaster (2005) explain that besides meeting the qualifications, the employee candidates should have a personality and attitude that match with the defined corporate culture. This was directly supported by MP5 who emphasized a value match over qualifications and advised to recruit personalities with values that can immediately start contributing to the corporate culture. In practice the company can attract the right kind of applicants by clearly signalling the purpose, values and working culture of the company through brand communications. MP1 elaborated further the significance of visual identity in recruiting by pointing out that it helps people to proudly show others how cool company they are working in. SF1 explained that it is also important to discuss the company values during the interviews to make sure the applicants have a clear idea of the culture they are expected to fit in.

The illustration in figure 12 below, summarises the brand implementation practices presented above and demonstrates how the internal corporate identity influences the external stakeholders indirectly through the founding team. The figure is based on the model of Rode and Vallaster (2005) presented in figure 1 and enriched with empirical findings about brand implementation practices in startups.

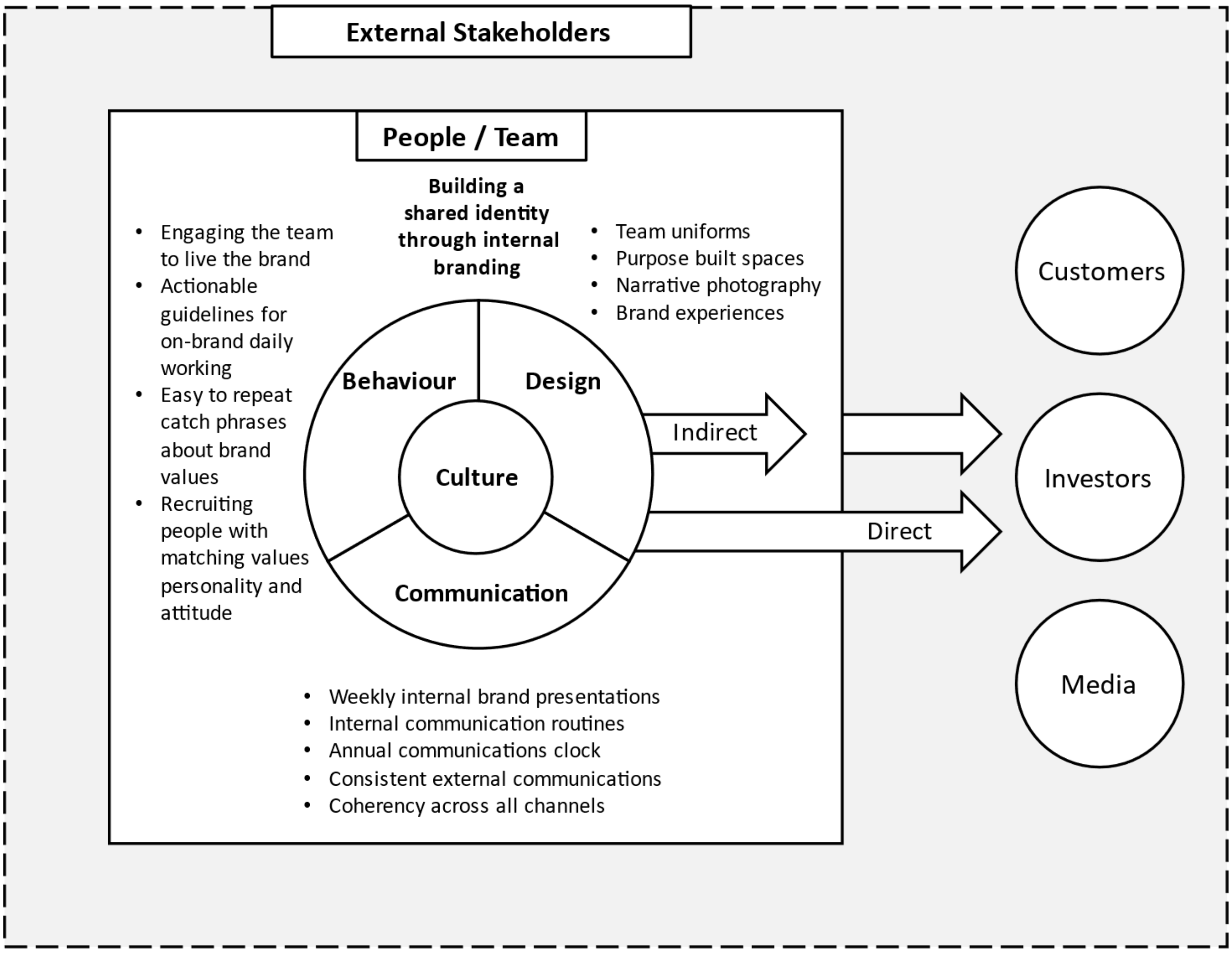

Figure 12 Brand implementation through internal branding

7.3 RQ3: How does a startup's corporate brand influence angel investment decisions?

Studying empirically the possible influence of startup branding on angel investors' decisions proved to be an immensely challenging task. Because of the complex nature of our subconscious decision-making processes, it was seen that this question is best to be tackled by theoretical knowledge from the literature review. A detailed description of the involved dynamics can be found in chapter 4 but the figure 13 below will provide a quick recap of the proposed theoretical framework.

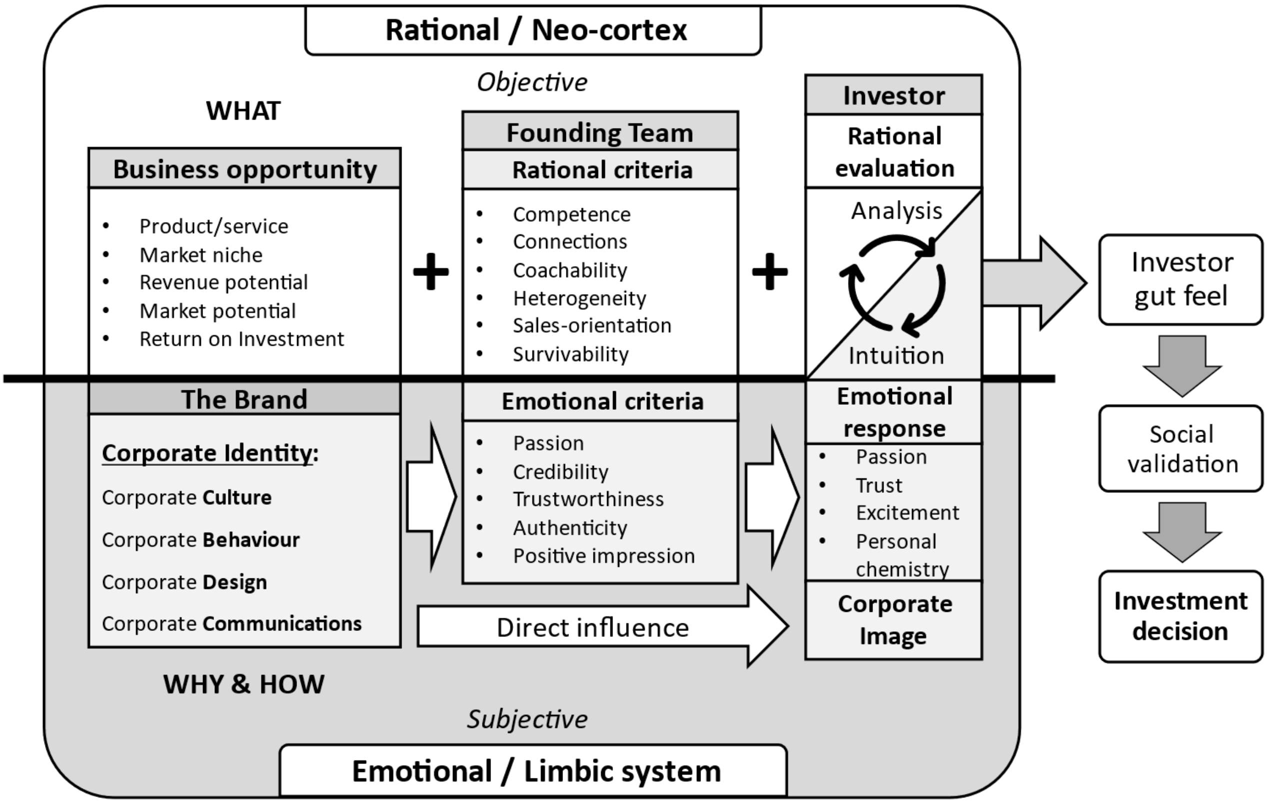

Figure 13 Corporate brand's influence on angel investor decision-making

As Huang and Pearce (2015) described, the investor gut feeling leading to the investment decision is formed in a process that combines formal analysis with emotional intuition. The investor's emotional response is influenced both directly through external communication and indirectly through interaction with the founding team. Traditionally the academic focus has been in the direct influence but the research of Witt and Rode (2005) proposed that the indirect influence through internal corporate identity and the team behaviour would be equally, if not more important. Especially in the venture funding context this seems to be the case as the startups are evaluated mainly based on the team's characteristics, of which many are directly influenced by the corporate brand. Next the findings are reflected on the theory about angel investor behaviour and the different ways it is affected by the startup's corporate brand.

7.3.1 Angel investor behaviour

Angle investors are a varied group of people from different backgrounds, which according to SF2 and Lainema (2011) greatly influence how they view investment opportunities. Perhaps the most important categorization is that of dividing the angels into professional investors and non-professionals, or as Lainema (2011) calls them, the lifestyle investors. AI2 described the behaviour of non-professional angels to resemble that of the FFF, which is the earliest and most informal group of investors. The two interviewed angel investors both agreed that the main difference between these two groups is that professional investors perform a more rigorous due diligence process and behave more like professional VC fund managers. This observation is in line with Osnabrugge (2000) who described that VC fund managers indeed apply a more analytical approach to investing than angel investors in general. AI1 suggested that while gut feeling decisions are common amongst non-professional investors, the professionals don't make their decisions based on gut feelings. However, considering the clear academic consensus on angel investment decisions being mostly based on intuition (i.e. Huang, 2018; Snellman & Cacciotti, 2019) it is unlikely that professional investors would be entirely above the influence of gut feelings in their decision-making. Based on both the literature and empirical data, it needs to be acknowledged that the angel investors do differ in the amount of rational analysis they apply in their decision-making. Nevertheless, since all the angels are affected to certain extend by emotional factors, they can be generalized as a uniform group for the purposes of this study.

Contrary to the popular belief, angel investors are primarily not motivated by financial returns but rather by the social and emotional gains associated with the activity (Etula, 2014, 2015; Sullivan & Miller, 1996; Taylor, 2019). Both MP3 and AI2 agree that if angels wanted to make money, they would be not investing in startups. Instead, angels are often motivated by self-development, helping others and doing meaningful things with like-minded people (Lainema, 2011). Because the main value for angels come from the social interaction with the team MP3 suggests that the founders should consider different ways they can provide this value and SF2 mentions that the "investor experience" should be considered equally important as the customer experience. This supports Sullivan and Miller (1996) who recommended that the founders should adopt a marketing perspective towards investors, viewing them as customers with a variety of wants, needs and values they are pursuing through investing activities. SF1 explained how the brand experiences originally intended to enhance the customer experience, ended up positively influencing the founding team as well. It is likely that the same effect applies to angel investors which would mean that much of the psychological value of meaning the angel's get from their participation, is ultimately derived from the corporate brand.

One of the main motivators for angel investors was doing things that matter and being involved in impactful projects with a clear purpose. Many of the interviewees described the venture's impact as an important factor in angel investor decision-making although AI2 pointed out that the appreciation for environmental or social impact is highly dependent on the industry. According to Sinek (2008) the company's impact is a component of the why statement, which communicates the company's purpose. How meaningful the investor finds collaboration with the startup depends on how personally relevant the company's purpose is for the investor. Besides being the main source of passion (Cardon, Wincent, et al., 2009), the purpose can create a strong sense of trust and loyalty if it matches with the beliefs and values of the investor (Sinek, 2008). This social value that the company's purpose can provide was demonstrated by SF2 who explained that their investors have been proudly communicating in social media about their investment in a company with such an environmentally important purpose.

The uncertainty and lack of information surrounding the startups calls for a specific kind of intuitive decision-making from the angel investors. The interviewees MP6, MP3 and SF2 all explained that although the investment process starts first with a rational analysis, the final decision is based on a gut feel or an instinct. This supports the general academic consensus that angel investment is largely based on intuitive decision-making (Etula, 2014, 2015; Huang, 2018; Huang & Pearce, 2015; Lainema, 2011; C. M. Mason & Harrison, 1996; Prowse, 1998; Snellman & Cacciotti, 2019) Many of the interviewees talked about emotions playing a role in investment decisions, which is supportive to Snellman and Cacciotti (2019) study proposing that the opportunity needs to spark an emotional response for the evaluation process to proceed and ultimately for the investment decision to happen.

Clearly the emotional factors play a key role in investment decision-making but based on the empirical findings, their relative importance seems to vary between different funding stages. AI2 explained that the more data there is available about the venture's performance, the more it can be analysed rationally and the less there is a need for intuition. This supports Huang and Pearce (2015) who proposed that under the high uncertainty surrounding seed stage investing, the investors resort to their gut feel more than at later stages when more market and financial data is available. Partly in line with this linear model, MP3 and SF2 agreed that the role of emotion starts high and lowers as the venture advances but returning high once the company stock is publicly traded. MP3 offered a possible explanation to this by saying that angel investors are similarly affected by the founding team's vision as the public is when buying stocks. This view is in partial conflict with Huang (2018) who suggested a positive correlation between uncertainty and use of gut feeling in decision-making. The figure 14 below illustrates these changes of different variables as the venture advances from seed stage to initial public offering. The dip in the importance of emotion could be explained by the fact that the types of investors involved in the middle stages are mostly professionals who apply rigorous analysis and due diligence processes, whereas in the seed stage and IPO the investors are less analytical, non-professional investors.

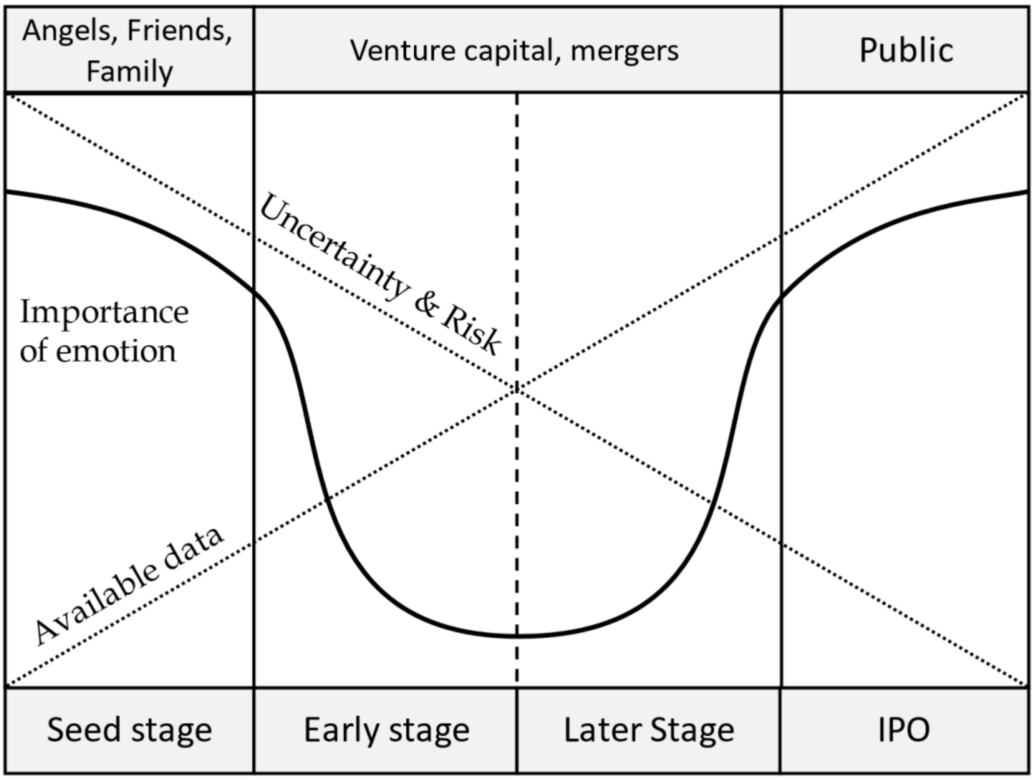

Figure 14 Relative importance of emotion in different funding stages

7.3.2 Team analysis

The two interviewed angel investors both underlined the importance of team analysis in evaluating the investment opportunity. AI2 explained that many of the team's core qualities are impossible to quantify, yet they are fundamentally important for the venture's success. This supports Taylor (2019) who said that the angel investor's success depends greatly on how precise judgements they can make of the entrepreneur. In this context the words team and entrepreneur can be used somewhat interchangeably as in the very beginning often all the team members are co-founders and analysed equally as such. Because many of the team's qualities are difficult to quantify, the team evaluations are highly subjective and mostly based on emotions (Landström, 1998). AI1 introduced an analysis method called the invisible balance sheet, which intends to measure the founding team's qualities that gradually start contributing more to the visible balance sheet as the company grows. AI2 told that the invisible balance sheet originates partly from the angel's intuition of the team and called it a good attempt at quantifying the team qualities.

According to AI1 the invisible balance sheet is largely the reason why a small team with three guys and a laptop gets a valuation of several millions. The invisible balance sheet also seems to be the area of the venture evaluation that is indirectly influenced by the corporate brand of a startup. AI1 reminds that any attempts at faking the elements of the invisible balance sheet will eventually turn against the team and he suggests that the brand building should focus on transmitting as realistic image of the team and their way of working as possible.

Of all the factors considered in the team evaluation process, passion turned out to be the most prominent one. According to MP6 and AI1 the investors want to invest in teams that believe in what they are doing and can get others excited about it too. This is in line with the literature in that the most important quality the angel investors are evaluating in the team is entrepreneurial passion (Cardon, Sudek, et al., 2009; Hsu, 2007; Snellman & Cacciotti, 2019; Taylor, 2019) Passion is a quality that can be directly linked to the corporate brand as it originates from the team's feeling of purpose, meaning and shared identity, all born out of the corporate culture. Both MP5 and SF2 mentioned the problem that many startups are passionate about what they do but fail at communicating that passion to others. However, MP1 and AI1 explain that when evaluating the team's passion, the concrete evidence that demonstrates the team's enthusiasm of the project is more important than the communication.

7.3.3 Brand creates credibility and trust

The credibility of the team is the main contributor to the feeling of trust and its importance was emphasized by many of the interviewees. MP6, SF2 and AI2 directly connected trust and credibility to the corporate brand. Both MP6 and AI2 explained that a coherent visual identity and stylish presentation materials transmit a credible and though-out image of the venture. MP6 added that besides contributing directly to credibility, the carefully prepared presentation materials also have an indirect effect through increasing the presenter's confidence. The pitch presentations are the main tool for startups in conveying their brand to the investors and as Martens et al. (2007) explain, storytelling is an effective way of presenting the business idea with clarity and communicating the startup's identity to investors. AI2 supports this by saying that a coherent corporate brand makes it easier for the investor to make sense of the venture, consequently lowering the investment threshold. This observation is almost perfectly explained by the concept of cognitive ease, introduced by Kahneman (2011). Cognitive ease refers to the level of strain our brain goes through when processing information and the easier the information is to process, the better we feel about its source. The causes and effects of cognitive ease are illustrated in the Figure 15 below.

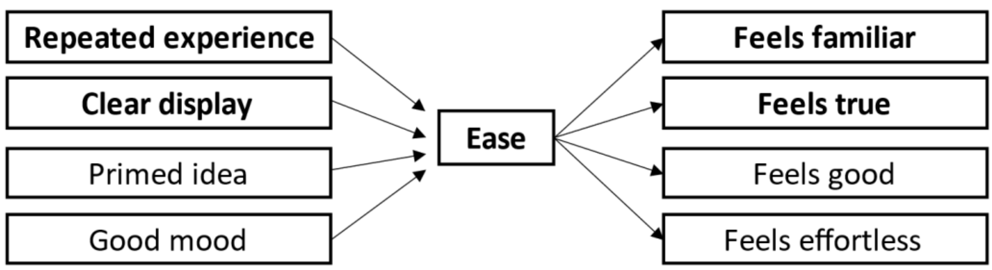

Figure 15 The causes and consequences of cognitive ease (Kahneman, 2011, p.60)

This is the underlying psychological phenomenon that explains how a *clear display* of the business idea by a carefully prepared presentation and visually pleasing materials creates feelings of trust in investors. Cognitive ease also explains how the *repeated experience* of consistent brand communications builds familiarity and trust in the stakeholders.

Where this gets really interesting is the connection that cognitive ease has with intuitive decision-making. According to Kahneman (2011) high level of cognitive ease is associated with increased reliance on intuitive judgement and decrease in critical thinking. People experiencing cognitive ease are more prone to the use of mental shortcuts such as the representativeness heuristic where a person making a complex judgement is subconsciously substituting the harder question with an easier one (Kahneman & Frederick, 2002). In the angel investing context this would mean that the investor unknowingly substitutes the complex question of "How likely is this person going to be a successful founder" with the much easier one of "How much does this person resemble the stereotype of a successful founder". Equally interesting to the increase of intuitive judgement is the opposite where people experiencing cognitive strain switch to a more analytical mode of problem solving. Kahneman (2011, p.65) tells about an experiment where the cognitive strain caused by a puzzle written in a barely legible font activated the analytical thinking of the participants and decreased the mistakes caused by intuitive thinking from 90% to 35%. Whether the use of intuition in angel investment decisions leads to errors or better results is up for debate but according to Huang & Pearce (2015) the angel's intuitive assessments of the entrepreneur accurately predicts extraordinarily profitable investments. In summary this would mean that a coherent and clearly presented business idea activates the angel's intuitive judgement (Kahneman, 2011) which eventually leads to higher chances of funding for the startup and better investment decisions for the investor (Huang & Pearce, 2015). This might sound ludicrous at first, but considering that in this context the little available information that could be used for rational analysis is highly uncertain, it makes sense to trust the gut feeling about the founding team instead of basing the decision on unreliable information. In any case, one thing that can be concluded from all this is that a good visual design modulates the use of intuitive judgement over rational analysis and, besides creating trust in investors, it amplifies the effect of other brand related factors on investor's intuitive decision-making.

In the venture funding context, the brand building procedures could be described as symbolic actions that according to Zott and Huy (2007) increase the startup's chances of landing investment by signalling personal credibility, professional organizing, organizational achievements and quality stakeholder relationships. A lot of the things that were described by the interviewees as contributors to the startup's credibility belong to the symbolic management category of professional organizing. Zott and Huy (2007) list here the company's website, offices, uniforms, professional processes and hiring practices, all of which have little intrinsic value on their own but are crucial for creating an image of a professionally run company. Two of the interviewees disagreed with this view as both MP6 and

MP1 pointed out that investors are mainly interested in numbers, team and clientele. MP1 explicitly adding that good investors are not interested in brand related things, such as the looks of the website. This statement contradicts the findings of Zott and Huy (2007) who demonstrated that the founders who perform more of the symbolic actions, received more resources than the one that did not engage in such activities. The reason for this conflict is likely that the influence of symbolic actions is largely subconscious, as most of the brand's influence is, and therefore not consciously considered as part of the relevant evaluation criteria. This is supported by MP6 who says that many people will not admit that brand influences their decision-making because its effects are subconscious and difficult to verbalize. In other words, it is likely that the angel investors are subconsciously influenced by the brand although they would consciously regard the brand related aspects irrelevant.

The personal chemistry between the investor and the founding team was considered important by SF2 as well as AI2 who explained that he would rather choose to invest in teams he gets along with nicely. Lainema (2011) confirms this by saying that angels rarely invest in teams they don't enjoy working with, while Etula (2014) adds that matching values, attitudes and beliefs facilitate a functioning dialog between the founders and the investors. According to Brooks et al. (2014) the alignment of values and beliefs is a prerequisite for creating positive interpersonal chemistry. The way the brand influences this aspect of decision-making is that it clearly communicates the startup's identity (Martens et al. 2007) and therefore makes it easier for the investor to evaluate whether the team has matching values or not. Afterall, as Sinek (2008) would say, people will do business with people who believe what they believe.

7.3.4 Social networks

Because angel investment is a socially embedded activity (Snellman & Cacciotti, 2019) it is important to consider how the brand's influence behaves in a network setting. The interviewees mentioned that part of the investor's trust in the startup comes from the founding team's connections to other relevant network actors. Investors, major clients and advisors can lend their credibility to the startup. Zott and Huy (2007) called this category of symbolic actions the quality of stakeholder relationships which includes actions such as affiliation to prestigious stakeholders, being seen in good company and the practice of name dropping. SF2 explained that investors often follow each other into investments and rely heavily on information and recommendations from their friends. This reflects the social embeddedness of angel investing and the motivation by fear-of-missing-out as described by Snellman and Cacciotti (2019). AI2 gave a practical reason for this behavior by explaining that it is easier to invest in a company that a friend or some reputable investor has invested before, because you don't need to perform such thorough due diligence process when you know that probably the other investors have asked the hardest questions already.

Besides leveraging credibility through prestigious stakeholder affiliations, the startup can greatly benefit from utilizing the media in creating trust in the eyes of investors. The empirical data supports the view that building press relationships is a vital task in the early brand building activities of a startup (Merrilees, 2007; Ojasalo, Nätti and Olkkonen, 2008; Juntunen et al., 2010) Here the positive influence of brand building is obvious, as MP7 explained that formulating the company's why statement prepares the founders to talk to the press and a well written brand story increases the likelihood of it being shared by the media. The role of the media is not only to disseminate the stories about the startup but, as SF2 explained, it also adds multipliers to the credibility of the stories it transmits. The credibility amplifying effect of network actors, illustrated in figure 15, further underlines the importance of formulating an engaging brand story which is easy and compelling for the stakeholders to share forward.

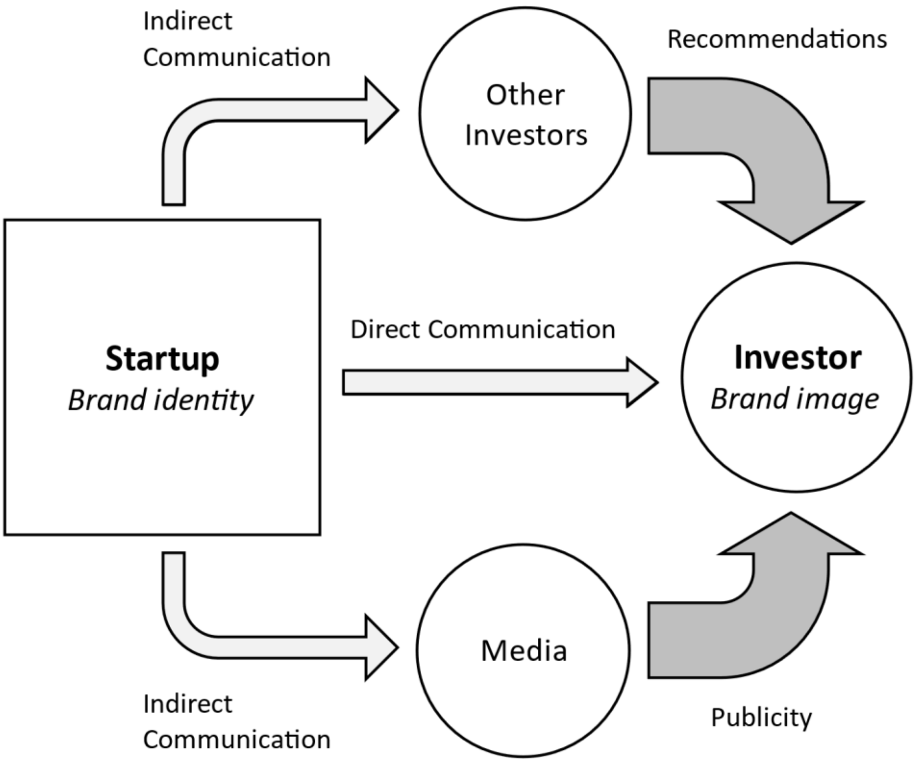

Figure 16 The amplifying effect of network actors in startup branding

7.4 Theoretical implications

The results of this study have yielded a number of significant implications for the research in SME branding and opened some new interesting avenues of future research. Firstly, this study has reinforced the existing research by answering the call for development of practical guidelines for corporate branding in SMEs. The practitioners' perspective into the brand building process augments the work of Juntunen et al. (2010) and provides a foundation for the future development of empirically grounded frameworks for brand building in SMEs.

Secondly, the novel connection this study draws from branding research into the domain of venture funding can be expanded to further the knowledge on the subconscious processes of angel investor decision-making. This part of the findings was in stark contrast with the traditional view that sees angel investing mainly as an economic activity based on rational calculation, largely dismissing the role of emotions in the process. However, the results did align perfectly with the more contemporary view proposed by Huang & Pearce (2015) and Snellman & Cacciotti (2019) who have highlighted the role of intuitive decision-making and emotions in angel investing. This study adds to the previous research by establishing a novel link between the corporate brand of a startup and the angel investor's emotional response to the investment opportunity.

Thirdly, the empirical results confirm that the relative importance of emotions in investment decisions varies between different funding stages, but the change is not linear as was proposed by Huang (2018). This finding challenges the view that the importance of emotion directly correlates with the decrease of uncertainty, implying that there might be other factors involved in modulating the influence of emotion on decision-making at different funding stages.

7.5 Educational implications

The implications of this study extend beyond the practical help for founders into the area of institutional startup services and entrepreneurial education. The study influences business incubators and accelerators by demonstrating the importance of providing new ventures with adequate training in brand building. The benefit from applying the results of this study are two-fold. Firstly, the new ventures will benefit from increased performance and better changes of raising capital early on. Secondly the accelerator will benefit from being able to communicate the brand stories of their startups to the press and thus gaining positive publicity for the whole organization. The results can be directly used as material for creating workshops in-house or to justify the cost of purchasing training services from growth marketing agencies.

Yet another group impacted by the results of this study are the universities and business schools teaching programs in entrepreneurship. The current lack of branding education in the curriculums of business administration does not reflect the importance of startup branding that was demonstrated in this study. The author suggests this to be corrected by the inclusion of the basics of brand building in every curriculum concerning entrepreneurship and new venture creation.

7.6 Practical tips for startups

The practical goal of this study was to tackle the problem that startups are not building their brands because firstly they don't know how to do it and secondly, they don't know why they should care about brand building in the first place. This chapter addresses the problem by first summarizing the numerous benefits a startup can gain from building its corporate brand and then presenting a list of practical tips for brand building in startups.

Among other things, a strong corporate brand…

- Attracts the top talent and makes people proud of being part of the team
- Encourages the team to work hard and stay loyal through difficult times
- Improves team performance by generating entrepreneurial passion
- Enhances the reputation and attractiveness of the startup by increasing the stakeholders' awareness of what values and beliefs the team stands for
- Inspires trust and feelings of familiarity in all the stakeholders
- Is crucially important for customer acquisition and retention
- Increases perceived value of your products and justifies premium pricing
- Facilitates gaining access to important suppliers early on
- Protects against copycat competition and provides a solid source of IP
- Serves as a focusing tool for innovation and creative activities
- Protects the startup from the risks associated with introducing highly innovative new products to the market
- Helps in communicating values and competitive advantage to investors
- Increases access to capital by improving investor's evaluation of the venture
- Decreases the cost of capital by enabling the founders to negotiate more favourable deals with banks and investors

In the light of these benefits it shouldn't be a question anymore if a startup should care about brand building or not. Next we will take a look into the best practices collected both from the literature and interviews with the professionals.

Right attitude and approach

- Authenticity and honesty are the fundamental principles of brand building. Think about it as sculpting a statue rather than painting an image
- Brand building starts as soon as you get the business idea and continues as an iterative process throughout the whole lifetime of a startup
- Consider brand building as a long-term investment that requires time and creativity, giving back purpose and profit

- A brand is never ready. Build the brand consistently towards your vision but maintain flexibility for adapting it to changes in business environment or general culture
- Startups need to appear bigger than they are, so assume an optimistic attitude of a confident forward lean, but strongly ground it in reality to avoid falling on your face

Your brand is your everything

- Adopt a holistic approach to brand building, developing all the elements in unison and treating your brand as the strategic hub of the company
- Align the brand strategy with your main business strategy and use it as a compass and a focusing tool in further strategy development
- Brand building is a strategic level affair and it requires long-term engagement from the whole company, not just the marketing guy alone
- In the beginning focus your resources on building the corporate brand only. Unlike the product brands, it benefits the company as a whole and influences the complete range of stakeholders from customers to investors

Brand is in the eye of the stakeholder

- The reality about your brand is not what *you* think, but it is what *the others* think. Use feedback as a mirror to get the real picture
- Constantly ask feedback to assure the outside image is in line with your aspired internal identity. If it is not, adjust your external communications
- Start by gathering feedback from friends and family, and as soon as you have the first client, begin monitoring branding activities with client feedback
- Listen to the customer but build the brand for yourself. You protect the brand's integrity by staying true to your purpose and only bending to the wills of the customer within the boundaries of your brand identity

Building the brand inside out

- For a small startup the brand is the people and the people are the brand
- Build the brand inside out, focusing on developing an internal identity that will eventually transmit into external image through team behaviour and culture
- Passion for the brand starts from the founder and grows in a company culture encouraging the team to live the brand with enthusiasm every day
- The key to developing a strong sense of belonging and employee identification is in creating internal communications and information flows that support the corporate brand

- Build your culture on values that are specific, positively valued by the customers and concretely related to the company's everyday business
- The most important branding decisions you make are the hiring decisions, so prioritize value match and personality over competence in recruiting
- Attract the right kind of applicants by clearly signalling the purpose, values and the company's working culture through brand communications

Tell a story worth spreading

- Establish press relations early on to spread your brand story and to amplify its credibility in the eyes of customers and investors
- A brand story that is honest, original, relevant and humane, has a higher chance of raising interest and being shared by the media
- If your story is not striking chord with the current media discourse, find a relevant angle or engage the press on a level of larger related phenomena
- Your core message must be consistently communicated in all channels and persistently repeated way beyond the point when you get tired of it yourself

Remember that angels are human too

- Angel investor behaviour is fundamentally driven by intuitive decision-making which is subconsciously influenced by your corporate brand
- In angel investment decisions emotional intuition rules over the rational analysis, so you should seek to engage investors on an emotional level
- Forget the money and approach angel investors with a recruiting mentality, focusing on finding the best match in values and personality
- View angels as customers with a variety of wants, needs and values they are pursuing through their investing activities
- Conveying purpose and meaning through the brand experience is equally important and influential to the investors as it is to your customers
- Find concrete ways of demonstrating your passion. Investors use it for measuring your preparedness and commitment to the venture

7.7 Limitations & Suggestions for future research

As is the case with most research, the design of this study is also subject to certain limitations. They arise mostly from the lack of previous research in the topic and inevitable shortcomings of the empirical research process. As was described by Centeno et al. (2013), Krake (2005) and Merrilees (2007) the corporate branding research has traditionally focused on large, established, companies instead of SMEs and new ventures. This meant that the branding literature on established

SMEs was already scarce, but about newly created startups even more so. Although for the most part the literature on SME branding is applicable to startups as well, it must be acknowledged that there might be some areas where the theory is not directly transferrable. The quality of the empirical data was somewhat influenced by how differently the interviewees understood the branding terminology. This confusion could have been avoided by shortly defining the key concepts in the beginning of the interviews, but since the intent was to find genuine opinions and perspectives on the topic, the definitions were knowingly left out. It is likely that the superficial understanding of the brand concept affected especially the questions regarding brand's influence on angel investor decision-making because many of the responses given by the interviewees referred mainly to the visual aspects of a corporate brand.

The subconscious nature of brand's influence on opportunity evaluation makes it a challenging subject to study even with the most adequate method of thematic interviewing. The issue was also noted by Maxwell et al. (2011) who studied the investment decisions of business angels and observed that the factors the angels initially considered critical for evaluating the startup were not necessarily used in their final investment decision. This challenge is perfectly described in the following quote from the advertising legend David Ogilvy:

> *"The problem with market research is that people don't think how they feel, they don't say what they think, and they don't do what they say." — David Ogilvy*

Regardless of the challenging topic, the research could have benefitted from additional interviews with angel investors and using a specific set of deeply probing questions. Nevertheless, the author attempted to offset this limitation by performing a more thorough theoretical review of the available literature.

The novel subject of this study evoked many questions and opened new interesting avenues for further research, of which the most prominent are presented below. As was described in the literature review, the investment decisions made in the high uncertainty context of angel investing are characterized by the use of intuition and mental heuristics. An area worth the further research would be the different heuristics and cognitive biases that are influencing the angel investor decision-making. In practice this could mean viewing angel investor behaviour through the lens of the ground-breaking research on judgement and decision-making by Daniel Kahneman and Amos Tversky. Increased knowledge of these factors would result in better investment decisions as the investors would become more aware of the subconscious mechanisms guiding their decision-making process.

Sullivan and Miller (1996) divided angel investors into three groups, economic, hedonistic and altruistic, based on the perceived value and benefits they seek from the investment activity and suggested the entrepreneurs to adopt a marketing approach in engaging the investors. The academic consensus, highlighted in this research, is that angels are motivated mainly by other things than financial returns. This raises the question of how could the startup provide the investors a more fulfilling and meaningful experience by developing the interaction with the same rigor they develop their customer experience. As branding is the main tool of providing the customer experience with purpose and meaning, it is likely that it has a central role in forming the investor experience as well.

AI1 brought up the question of how startups can have valuations of several millions when the team consists of only three men and a laptop? And more importantly how could this gap be made bigger? In the light of the findings it is highly likely that the valuation is influenced by the invisible balance-sheet, which in turn is influenced by the corporate brand of the startup. Literally the million-dollar question of "how the corporate brand of a startup influences its valuation?" deserves more attention and most certainly calls for further research.

Some of the interviewees believed that brands play a more important role in consumer markets than in angel investment. However, the author would argue that the difference would rather be found between high-involvement and low-involvement decisions, which are equally present in the investment setting as they are in consumer markets. For example, the thousands of investors who invest in a crowdfunding campaign a sum of few hundred euros probably experience a lower involvement in their decision-making, and therefore are more influenced by the brand than the few angels who invest tens of thousands in other funding rounds. It would be interesting to study whether the influence of brand on investment decisions depends on the level of involvement the decision-maker experiences and whether there is a difference between the different stages of investment (pre-seed, early stage, series A, IPO).

Yet another interesting avenue for further research would be to map out what kind of pre-existing mental prototypes of "successful startup founders" angel investors have. Elsbach and Kramer (2003) suggested that when experts assess the creativity of unknown pitchers, they compare behavioural and physical cues to their mental prototypes of a creative person. This same phenomenon is described as the representativeness heuristic by Tversky & Kahneman (1974). Along the same lines, Zott and Huy (2007) suggested the founders can improve their personal credibility by displaying personal attributes linked to existing entrepreneurial prototypes. MP6 explained that similar dynamics are at play when angels evaluate startup founders and that some people "simply look like entrepreneurs". Understanding the qualities of such entrepreneurial prototype would greatly benefit startup founders seeking to make a positive impression on investors and the press.

8 CONCLUSIONS

This research was motivated by two rather unpopular beliefs. Firstly, that small startups are equally capable of brand building as are the large corporations. And secondly, that angel investment decisions are mostly based on intuitive gut feelings that are directly influenced by the startup's corporate brand. These ideas were explored further by defining the best practices of startup branding, and by building a theoretical bridge between venture funding research and the domain of SME branding studies. The data required to illuminate the subject was gathered both by reviewing the existing academic literature and through a qualitative case study in which thematic interviews were conducted with marketing professionals, startup founders and angel investors.

The first part of the literature review examined the content and processes of brand building in startups. The second part covered the venture funding context in general and the angel investor decision-making process in particular. The fourth chapter gathered the previously discussed topics under a unified theoretical framework, illustrating the process of corporate branding and how the brand influences angel investors' decision-making. The fifth chapter outlines the applied research methodology and in chapter six the empirical results are presented before discussing them in the context of theoretical findings in chapter seven.

Considering the important role that startups play in the national economy and employment creation, the results of this study have the potential for creating a positive societal impact by reducing the high mortality rate of new ventures. Altogether the research provided solid support for the counter-intuitive beliefs described earlier, while also yielding a number of valuable implications for both theory and practice. The study contributed to covering the research gap in SME branding and addressed the call for creating practical brand building guidelines previously lacking from the literature. This research benefits the startups by clarifying the basic concepts of corporate branding and offering actionable advice for brand building in practice. The most significant theoretical implication of this study is the development of the framework that demonstrates the corporate brand's subconscious influence on angel investor's intuitive decision-making. The part of results that seemingly contradicted this finding by stating that angel investors are not interested in brand related aspects when evaluating startups, only highlighted the significance of the found connection. This conflict demonstrates that the commonly held view of angel investing as a rational and analytical activity needs to be updated with further research into the subconscious factors affecting the investment decisions.

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APPENDICES

APPENDIX 1: Interview Framework

Background questions:

- What is your name, title and responsibilities?
- Describe your company shortly?
- Who are your customers?
- Who are your main competitors?
- Who are your global role-models?

Brand building:

- What does corporate brand mean to you?
- Describe the brand building process of a startup.
- How can startups build their brand on low budget and without external help?
- How can agencies and consultants support startups in brand building?
- What kind of practical exercises can startups do in order to clarify their brand?
- How does the brand implementation happen inside the startup?
- What processes can startups use for internal branding?
- How do you understand the phrase “fake it till you make it” in startup context?
- Does rapid growth require appearing bigger than you are?

Venture funding:

- Describe your investment decision-making process.
- How big role does the investor instinct or intuition play?
- On what brand related aspects do investors pay attention to when investing in startups?
- What are main reasons for rejection?
- Is there a distinct way to building a brand towards the investors?
- How can startups leverage their brand to lower the investment threshold?
- Is there a difference in the importance of the rational criteria versus the emotional criteria, depending on the investment stage? (i.e. pre-seed vs. series-A)

Final questions:

- Can you think of a question you would like the next interviewee to answer?
- Can you recommend other people who I should interview?

APPENDIX 2. Original quotes in Finnish

Moni on sitte sanonu että yritysbrändi on vasta sitten ku ollaan cocacola minkä brändiarvo jotain 85 miljardin päällä. Nii mä sit sanon että kaikilla on brändi, myös ihmisillä, halusi ne tai ei. (MP6)

2017 tehdyssä tutkimuksessa 87% suomalaisista liikkeenjohtajista vastasi että brändi on yhtä ku logo, ja sen jälkeen ku sitä kysyttiin uudelleen niin ne vastasi että se on yritysilme. Ja tää on edelleen tätä päivää. (MP6)

Mulle aina useesti sanotaan kun mä meen puhumaan jonnekki tilaisuuteen että elä esittele ittees et sä rakennat brändejä. Ihmiset pitää markkinointia ja myyntiä jotenkin huonompana työnä ja ne ei ymmärrä sitä. (MP6)

Esimerkiks Absolut Vodka on myyty 140 miljoonalla kun Finlandia vodkasta sai miljoonan ja mihin se perustu? Brändiin. Tai Kotipizza 134 miljoonaa, siinä ei oo mitään tekniikka eikä IPR:ää, se on jauhoa, se on pizza, 134 miljoonaa. Sit sitä ihmetellään että miksi? Brändi ja missio. (MP6)

No kaikkee muuta ku se logo. Se on sitä miltä se firma tuntuu ja maistuu.
Miten se käyttäytyy, miten se palvelee asiakasta, miten se myy.
Kenelle se tekee asioita ja miksi se tekee tätä bisnestä. (MP5)

Brändi ei ole se visuaalinen puoli vaan se on niitä tekoja ja lausuntoja mitä sä oot tehny. (MP1)

Visuaalinen identiteetti ja fiilis vaikuttaa pikkusen enemmän rekrytoimiseen ku ihmiset kuitenkin haluaa mukavan työpaikan ja haluu päästä näyttämään että tää on siisti keissi mikä parissa mää työskentelen. (MP1)

Sen fiiliksen pitää olla tosi, se ei voi olla päälle liimattua tai valheellista vaan sen pitää olla aito. Ku brändäyksestä puhutaan niin kyllä se niin on että jos se on kulissi niin et sää pysty sitä kiiluvasilmäsesti sillon elämään. (MP2)

Se on muuttunu se brändin rakentaminen semmoseks kauniin maailman rakentamiseksi. Ja se on eri asia. Tässä tää pitäs olla jotain sellasta tositeevebrändin rakentamista. Et miten pystyt rakentamaan itsestäs mahollisimman *aidon* kuvan, eikä niinkään semmonen feikattu kuva itestä. (AI1)

Jos on mahollista lähtee pitää vaikka workshoppia muutaman luottokumppanin kanssa. Että miksi ne on ostaneet? Mitä ne on arvostaneet? Miten ne kokee hinta-laatu suhteen? Mikä niitten mielestä on se erottavuustekijä? Mikä siellä on se hyöty? (MP6)

Sehän pitäs kokoajan tehdä niin että kuka on mun asiakas ja sen asiakas. Eli jos mä haluun että Valmetti ostaa multa. Niin nehän ostaa vain siksi että niitten liiketoiminta pyöris hyvin eli valmetin intressi on siellä heidän asiakkaassa jollonka mun yrityksen yritysilmeen ja brändin pitää vastata Valmetin asikkaan intressejä. (MP6)

Yleensähän on se että asiakkaita pitäs aina kuunnella ja asiakkaat pitäs ottaa mukaan. Useimmitenhan se menee niin että ne firmat jotka menee sales first ja sen jälkeen tekee asiakaslähtösesti sen tuotekehityksen niin nehän on jonkun sortin huoria. Ja se huoraaminen on ihan hyvä juttu mut eihän sillein tehä mitään isoja juttua. Vaan niitä isoja juttuja tehään sillein että sä et kysy asiakkaalta. (MP2)

Tää on just sitä ku autotehtaalla se kaveri kattoo sitä naamataulua ja se muotoilija miettii et miten siitä autosta saadaan niinku häijy kilometrinnielijä taikka luotettava perheen jäsen. (MP2)

Tunteistamisessahan ei oo niinku järkeä. Et jos ajatellaan et meillä on vuorovaikutuskanavat mitä kautta ihminen harmaaseen massaan ottaa yhteyttä on nää tieto, tahto ja tunne. Tietoon kuuluu perustelut, key selling pointit, hyödyt ja edut. Tahtoon kuuluu taas käskeminen ja call-to-action. Tunne tulee eri paikasta ihmisen aivoissa, ja kun ihminen miettii jotain loogisella ajattelulla, kielellistää asioita niin se on ihan eri kun se että mistä syntyy gut feeling ja tuntuma. (MP2)

Helpointa olis jos alusta asti se yritys rakennettas niin että se ihminen ei aattele et se on sen oma lapsi tai että se on sen itsensä ilmentymä. On tärkeetä olla aito oma ittensä ja avoin mutta tietty raja kaikella. Jos sää oot tekemässä yritystä niin se on kuitenkin liiketoimintaa. Osakeyhtiölaissa lukee että yrityksen tärkein tavoite on tuottaa omistajilleen voittoa. Kukaan ei osta yritystä joka on identifioitunu johonkin yhteen ihmiseen. (MP6)

Alkuvaiheessa se brändi on se tiimi, se on se millanen teidän tarina on ja sen ei tarvii olla mitään muuta ku se että miten sä kerrot parilla lauseella mitä te ootte, mitä te teette, mikä teidän tiimin tausta on, tuleeks teille mistä asiakkaita, mikä teidän ambition taso on. Noista pystyy muodostaa jo tietynlaisen brändin alkuun. (MP1)

Mä lähtisin ihan ensimmäisenä liikkeelle why:sta, pitää osata kiteyttää yhteen lauseeseen se että miksi yritys on olemassa. Ja siihen ei riitä se että no se tuo mulle tuloa. Siitä pitää olla hyöty jollekki muullekki ku sulle. Mikä se hyöty on niille muille? Mitä sää oot oikeesti isossa kuvassa tekemässä. Eli puhutaan missiosta. Sit puhutaan visiosta. Että ne on kirkkaat. (MP6)

Ja niitten pohjalta tuotetaan ydinviesti mikä on se mikä näkyy vaikka verkkosivuilla ensimmäisenä. Ja ydinviestille kolme tukiviestiä jotka tukee tätä kokonaisuutta. (MP6)

Itseasiassa sitä ennen me oltiin määritelty yrityksen arvot perustajaporukalla.

Aluks ne oli tosi selkeitä. Pidetään viikonloppu jonka aikana päätetään arvot. Niistä puhuttiin, pidettiin workshoppi ja päätettiin ne. Arvoja ei voi ulkoistaa, pitää tehdä itse. Ja se toimi sitten bränditoimiston yhtenä rakennuskivenä joka oli tullu perustajilta. (SF1)

Ehkä sen harkitun brändinrakentamisen sijaan se paras brändilupaus sille sijottajalle onkin se että se tiimi kokee ne asiat kutakuinkin samalla tavalla. Eli sit kun on päätetty tiimin kanssa että tää juttu on esim vaivaton niin sit pitää käydä tiimin kanssa se parisuhdekeskustelu että mitä sulle tarkottaa vaivaton.
Jotta orkesteri saadaan soittamaan samaa säveltä niin on tärkeetä määrittää puristisesti niitä adjektiiveja sen jälkeen kun niitä on valittu. (MP2)

Se lähti niin että mä rupesin dokumentoimaan ja ottamaan valokuvia niistä asioista mitä me tehtiin niin tuli semmonen fiilis että tässä ollaan tekemässä jotain suurempaa kun vaan tää kaveriporukka. Ja heti kun oli mahdollista niin tehtiin teepaidat koska startup uniformu päällä tulee fiilis että nyt ollaan samaa porukkaa ja sit otettiin se kuva. (SF1)

Huomas että aina kun sen kuvan esitti jossain niin se herätti ihmiset, ne kiinnostu, rupes nauraan et miten niinku voi tämmöstä tehdä. Se oli semmonen assetti jota perustajat tykkäs näyttää ja se myös vahvisti perustajien itseluottamusta siihen että nyt ollaan rakentamassa jotain joka voi olla jotain isompaa. (SF1)

Nyt kun on pohdittu että mikä on se universaali arvolupaus jota ilman ei pysty pärjäämään ulkomailla niin ollaan päädytty siihen että se on "Elevated Human Connection" eli samalla tavalla kun oltiin siellä alussa kokoonnuttu jonkun asian ympärille joka tässä tapauksessa oli meidän päätuote, koettiin jaettu inspiraatio ja lähettiin muuttamaan maailmaa. Se on se mitä me halutaan tuottaa tähän maailmaan. Eli kyse ei oo siitä miten paljon pystytään tuottamaan meidän tuotetta vaan miten paljon pystytään tuottamaan sitä että ihmiset on yhdessä ja kokee sen jaetun inspiraation. (SF1)

Muutaman vuoden jälkeen alettiin workshoppien ja iteraatiokierrosten kautta määrittelemään asioita yrityskulttuurioppaaseen. Tää on ollu tosi hyvä työkalu rekrytoinnissa tai sitten siinä mentaliteetissä että mitä me tehään, minkälaista käyttäytymistä me arvostetaan, että työntekijä joustaa jos firmalla on vaikeeta ja päinvastoin. (SF2)

Ja sitä kautta pitää olla tosi avoin siitä että minkälaista firmaa tekee ja kirjata se arvoihin. Ja sitä käytettiin sitten pohjana ja sen päälle lähettiin rakentamaan kaikkee visuaalisuutta. Bränditoimisto pohti ja teki ehdotuksen että näillä tän tyyppisillä visuaalisilla jutuilla sitä lähettäs tekemään. (SF1)

Startupilla se positiivinen psykoosi pitää löytyä ja sun pitää alkaa uskomaan siihen asiaan tai tyyppiin et minkälainen se on. Brändäämisessä se gruuvi pitää tunnistaa ja se riittää että alan ite uskoo siihen. (MP2)

Erittäin hyvä työkalu on brändipersoona. Aletaan piirtää sitä tyyppiä, ei stereotyyppiä vaan arkkityyppiä. Se on tämmönen et se asuu omakotitalossa, juo keskikaljaa perjantaisin ja lähettelee kirjepommeja naapureille. Eka ku sille brändille luodaan se hahmo niin sen jälkeen on helppo lähtee miettimään että hei täähän tarkottaa sitä että ku tää on tämmönen robotti niin meillä pitää olla käyntikortit tehtynä pellistä ja asiakkaita pitää alkaa puhuttelemaan tällä tavalla ja tiiäkkö ne ulkoset puitteet tulee sit sen tyypin myötä. (MP2)

Minkä tahansa jutun sä saat mediaan niin se on niinku lähtökohtasesti jo täysin uskottava. Mä ite tosiaan nauran et mähän voin medialle kertoo mitä vaan mut jos se on kirjotettu tai kuvattu mediaan niin se on jotenki niille sijottajille älyttömän arvokas. Se on sitä validointia tietyllä tavalla. Sillä on arvoo paljon enemmän ku että minä kerron tosi hyvän tarinan sille sijottajalle. Tai se lukis sen saman ite mediasta niin se on viis kertaa uskottavampi hänelle. Ja mehän käytetään tosi paljon sijottajien klousaamisessa mediaa. Esimerkiks joukkorahotuskamppanja tehtiin niin että etukäteen suunniteltiin viis piikkiä mediassa ja sitte syötettiin sitä mediatietoo heille sen sijaan että me oltas sitä ite jotenki kerrottu. (SF2)

Ilmiöt on se ydinjuttu siellä PR puolella. Media on kiinnostunu tarttumaan semmosiin ilmiöihin jotka on jollakin tavalla relevantteja suurelle yleisölle. Ne jotka seuraa mediaa paljon, PR-konsultit ja muut niin ne tietää mitkä aiheet on niitä mistä puhutaan. Vaikka sun juttu ei suoraan liittyskään siihen asiaan josta puhutaan mutta se tavallaan ilmiönä puhuttaa ihmisiä. (AI2)

Mää oon ollu aamuteeveessä puhumassa suoravelotuksen poistumisesta ihan puhtaasti sen takia että ollaan PR konsultin kanssa katottu että hei tää on semmonen teema mistä olis mahollista päästä aamuteeveeseen puhumaan. (AI2)

Mun mielestä tää pätee niin startuppiin kuin isoon organisaatioon eli jos tehään brändiä niin sillon pitäs mahollisimman monen siitä organisaatiosta osallistua siihen. Ihmisille kuitenkin se tarve tulla kuulluksi, jos ne ei oo tullu kuulluks niin niitten on hyvin vaikee ostaa se sit myöhemmin. Eli vaikka just se mun ajatus ei johtanu siihen lopulliseen niin kuitenkin se että mut on kuultu, mä oon saanu kertoo, mä oon saanu äänestää tätä, niin se sitoo sitten sitä ihmistä ja se on se ensimmäinen askel sitä kohti että saadaan sisäisesti se porukka taakse siihen. (MP5)

Onko se konservatiivista designia vai onko sit yyber futuristista ja muuta. Ja nää pitää kaikki heijastua siinä että minkälainen on se yrityskulttuuri. Et se lakifirma hyvin todennäköisesti ei oo tässä yyber futuristisessa maailmassa koska se ei taas resonoi sitten siellä niitten ihmisten kanssa sit se yrityskulttuuri, niin sillon se on falski. Ku lähetään sitä brändiä duunaa eteenpäin niin sen pitää aina osua reaalimaailmaan. (MP5)

Sitä mukaa kun mentiin eteenpäin niin tehtiin asioita ja tunnistettiin että okei tää on meidän arvojen mukainen ja tää tuntuu hauskalta tehdä tai tää tuntuu vetoavan meidän asiakkaisiin niin se sit omaksuttiin osaksi sitä meidän brändikaanonia. (SF1)

Sitä samaa fiilistä mikä meillä oli alussa, me haluttiin toistettavan ympäriinsä. Joka vaikuttaa kaikkeen esim siihen että ravintolassa ruoka on jaettua koska pystytään sillä tavalla luomaan yhteisiä hetkiä kun joutuu pyytämään ja ojentamaan. (SF1)

Jotta ne toimenpiteet saadaan jalkautettua niin me tehdään bränd bookit jossa on sitten erotettu tapahtumaohjeistus, somen kautta viestinnän ohjeistus, graafinen ohjeistus. Sen lisäks meillä on semmonen yksinkertaistettuna "mistä meidän yrityksessä on kyse" joka pyritään pitämään joka maanantaisen all-hands-on-deckin ekana slaidina. Et sitä toistetaan tyyliin kakskyt kertaa et se alkaa toistumaan. (SF1)

Eli mitä tää tarkottaa käytännössä mun työssä? Jos sä oot myyjä niin miten tää brändi näkyy sun työssä, miten sä kohtaat ihmisiä, minkälaiset sun presikset on, miten sä esittelet ne, käytsä kasvotusten vai käyt sä skypen yli. Se pitää tehä selväks että mitä tää tarkottaa oikeessa elämässä. (MP5)

Pyritään tekemään semmosia lauseita joita pystytään toistamaan. Esim tohon elevated human connectioniin on semmonen lause kun "Dream and Dare Together" Ja sit huomaa kun on onnistunu kun jengi tekee jotain ja huomaa että tää on niin sanotusti "on bränd" ja sit sanoo sen ääneen et tää on just tää "dreaming and daring" (SF1)

Sit se että miten brändi pidetään linjassa niin siinä tullaan sit rekrypäätöksiin että otetaanko me ketä tahansa, vai otetaanko me ihmisiä jotka ostaa tän meidän whyn, ostaa nää meidän arvot ja ostaa meidän toimintatavan. Jos nää täyttyy niin sit ne soljahtaa sinne ja sit kun ulkopuolinen kohtaa tän uuden tyypin niin se on yhtenäinen se brändimielikuva. Että se tulee nimenomaan sisältä. (MP5)

Substanssin opettaminen on paljon helpompaa kun kulttuurin ja arvomaailman iskostaminen. Arvomaailma on kaikki kaikessa ja sillä on suora vaikutus brändiin. (MP5)

Pienellä startupilla ei oo rahaa mutta niillä on kaikista eniten on aikaa, ja se on periaattessa ilmasta tai sen pitäs ainakin olla ilmasta. Se mindsetti pitäs olla se että tähän käytetään alussa aikaa. (MP5)

Nyt puhutaan sitte startuppien brändäyksestä niin pitäs nopeasti saada siemenrahoitus ja on ansaintamallit mietitty ja on tuotannot ja teknologiat mietitty niin se miks se menee pieleen on se et ei oo aikaa pysähtyä fiilistelemään.
Se on just se hetki ku sun pitää viiä se tötterö tai aplikaatio sinne metsäretkelle ja polttaa valtavia määriä ooppiumia ja jutella sen kanssa ja sit ku sä ite uskot että tää on semmonen tyyppi niin sit se herää henkiin. (MP2)

Mä koen sen niin että sä uskallat sano isoja juttuja mihin sä itse uskot siitä missä sä et vielä ole mut sä oot matkalla. Et se on semmonen etukeno, kulmakerroin että kuinka suuren etukenon sä uskallat ottaa sinne eteen. Musta se on vaan positiivinen juttu. Mun mielestä ei pitäs olla sillain että fake it TILL you make it vaan että se pitäs olla kokoajan sitä että on semmonen pieni etukeno ja usko siihen että tää menee eteenpäin ja että mennään kuuhun tällä. (MP1)

Pitää esittää isompaa kun on jotta saa ne kaupat. Siinä vaiheessa kun asiaks kysyy että onnistuuko, pitää sanoo et onnistuu. Kun myy, pitää myydä vähän isompaa ja enemmän ku oikeesti on koskaan ehkä tehnytkään. (MP6)

Sä voit feikata että jos meillä olis tää fyrkka niin sit me pystyttäs tekee näitä asioita jotka palvelee nimenomaan tätä asiakasryhmää, et se on niinku ookoo feikkaamista. Mä nään sen näin että no meillä on osaamisgäppi et meidän pitää tehä asioita mihin me tarvitaan ihmisiä. Mä en nää sitä feikkaamisena jos sanoo että kolmen vuoden päästä tällä rahotuksella me oltas tässä. Se on vielä ok, mut jos sä rupeet puhumaan että kymmenen vuoden päästä me ollaan tässä tilassa ja nyt jos me saatas rahaa niin me päästäs sinne, niin se on väärän laista feikkaamista. (MP5)

Ja nyt siis startupissa se ydinjuttu on että kun on pieni ja epäuskottava ja vähät resurssit ja muut niin siinä on tärkee osata tää perus sodankäynnin taito että miten näyttää isommalta kun mitä on. Miten sitä uskottavuutta luodaan. Sinäänhän tässä ei oo mitään arvoo että sä oot iso yritys, luotettavuuttahan se luo, että se ydinjuttu siinä on että se luo sitä luotettavuutta. Me kun lähettiin ulkomaille niin ensimmäisen kolmen kymmenen asiakkaan kanssa ku keskusteltiin niin kymmenen kysy et onks teitä olemassa enää puolen vuoden päästä. (SF2)

Et mä oon aina sanonu että se "Fake it" pitää olla sen kokonen "Fake it" että A, sä nukut yösi hyvin. Se on semmonen mittari että moni stressaa, rupee heräilee aamuöisin, jos se tapahtuu niin sä tiedät että nyt on luvattu liikoja. (MP6)

Mä ite oon noudattanu elämässä sellasta että mää en feikkaa semmosia asioita mitä mä tiiän että ei oo realistista että mä tai joku meistä osais, mut sitä voi feikata et jos mä tiiän että mä en oo tossa ihan niinku maailman luokan ammattilainen mutta meidän porukka pystyy hankkimaan sen skillsin lyhyellä aikavälillä niin sitte mä voin sanoo että toi onnistuu. Sen feikkaamisen pitää olla linkittyny reaalimaailmaan. Pitää tietää että meillä on jo osaamista ja me ollaan lähellä että nyt jos me saatas rahotus niin me pystytään se tekemään. (MP5)

Theranos on hyvä esimerkki siitä miten sitä ei pidä tehdä mutta se että vaikuttaa itse siltä että uskoo siihen mitä tekee vaikka se usko ei aina olisi ihan täydellistä, se kuuluu yrittäjyyteen että on semmosessa jatkuvassa epävarmuudessa että ei oo mitään validaatioo siitä että se juttu mitä teet on järkevä mutta siihen täytyy itse uskoa. (SF1)

Pointti ei oo siinä näyttäytyykö isommalta tai pienemmältä kun on, vaan siinä että täytyy koittaa kehittää asiakaskokemusta mahollisimman nopeasti eli sen asiakaskokemuksen pitää olla parempi kun mitä sen yrityksen nykyinen vaihe tai asiakasmäärä antaisi olettaa. Niin sillon se luo tavallaan imua kohti sitä kasvua ja se mielikuva osittain muodostuu siitä ja luonnollisesti kaikki menestykset kannattaa kertoa mutta rehellisyys täytyy säilyttää. (SF1)

Aika monesti tulee se että tässä on jotain mut sit ku sä alat käymään ja pureskelee sitä läpi niin sieltä löytyykin semmosia dealkillereitä et ei voi jatkaa. Et se on hyvin tyypillistä. Nää on semmosia et ne jotka ammatikseen tekee niin ne käy nää läpi joka kerta. Kyl sitä DD:tä firmalleki tehään monella tavalla. (AI1)

Yks sijottaja sano joskus että ei hän lähe enää pääomasijottajaks sen takia että hän sais enemmän rahaa, että hänellä on semmonen varallisuus jo että hän pystyy ihan hyvin elämään hautaan asti pikkuporvarillista elämää. Vaan hän lähtee niihin siks että hän saa aina hetkeks aina ittelleen sen nuoren innokkaan tiimin draivin. (MP2)

Mää tykkään pysyä kärryillä siitä mitä maailmassa tapahtuu. Jokainen yritys toimii eri tavalla, on erilaisia markkinatilanteita, erilaisia tuotteita, niin jokaisesta keissistä oppii paljon. (AI2)

Meillä on muutama tuhat sijottajaa ja me soitettiin satoja sijottajia läpi et miks ne on sijottanu ja siellä ne kolme keskeisintä asiaa oli että ne näki meidän firmassa semmosen muutoksen mitä ne näki että tässä maailmassa tulee tapahtumaan. Se et nää tekee hyvää nää ihmiset ja tässä on iso mahollisuus. (SF2)

Sit yks mikä tutkimuksessa ei tullu esille mut keskusteluissa tuli, on tavallaan oma sosiaalinen status. Kaikki haluu olla oikeessa et esimerkiks googlen aikaset sijottajat on toki menestyneet aika hyvin finanssi mielessä mut ne voi kertoo sen tarinan et ne on aikasessa vaiheessa osallistunu tämmöseen mistä tuli menestys ja meidän firman on brändinä niin positiivinen että kaikki haluaa liputtaa sen puolesta et mä oon niinku sijottanu tohon. Se on sinäänsä hyvä juttu ja vahva brändiä ja vahvaa tarinankerronta ja että tässä ei oo isoja säröjä niin se on tehny sen että ne haluu olla mukana. (SF2)

Tahtotila on hyvin helppo kattoo. Et jos se kaveri sanoo et se on tehny puoltoista vuotta tätä ilman palkkaa, niin on siellä tahtoo. Mut jos se sanoo et mä hyppään tähän firmaan sitten ku maksetaan palkkaa niin se on sit eri asia. (AI1)

Valitettavan monelta se rohkeus puuttuu, et sulla on tahtoo ja osaamista mut ei uskalleta laittaa ittee likoon. Et ei haeta lainaa siihen et tää on se juttu mihin mä meen, niin sillon sielt jää pois. (AI1)

Kokemattomuudella ei mun mielestä oo hirveesti roolia siinä vaikka aina on parempi jos joku niistä on jo kulkenu sen polun mitä ne on lähössä etenee. Vaikka tuntee sen markkinan. Ja sit jos joku tuntee hyvin sen asiakkaan ongelman jota ne ratkasee niin se on hyvä. Vielä parempi jos on henkilökohtasta kokemusta ratkastavasta ongelmasta. (SF2)

Ja tää on strartupeille tosi tärkee koska moni ajattelee että on ihan sama minkälainen logo tai nimi on kunhan on verkkosivut, kunhan meistä on jotain. Sit kuvataan itse kännykällä, joku siskon tutun kaima kirjottelee vähän jotain tekstejä. Sit ku lähetään pitchaamaan niille sijottajille, sit ihmetellään että "meillä on niin kova juttu ja niin kova tää appi" mut ku ei se näytä siltä, se ei oo vakuuttava. (MP6)

Kun se sun investoridekki näyttää hyvältä niin sähän esiinnyt itekki varmemmin, sun ei tarvii pahotella sitä että anteeks ku tää on nyt vähän vaan niinku näin. Jollonka myös ne sijottajat aistii sen että sä oot tosissaan. Se intohimo välittyy. (MP6)

Puhutaan vaikka referenssiasiakkaista niin on huomattavasti tärkeempää että saat vaikkapa kolme logoo sun asiakkaista kun että sun dekki on kaunis ja hassun hauskasti kirjotettu. (MP1)

Mitä uskottavammalta näyttää, mitä isompia kumppaneita on tai mitä parempia rahottajia on taustalla niin sitä uskottavampi se on kaupallisesti. Network effect, kuka tuntee kenet ja onko joku pystyny jo luottamuksen rakentamaan henkilöverkoston kautta. (SF2)

Laitanko mä vaikka eteenpäin jollekin tutulle niinku introna tämän et onkse sen tyylinen henkilö johon mä lähtökohtasesti voisin luottaa. Mut kaikki säröt siinä aiheutta nopeesti sen että sitä omaa luottamuspositiotaan ei sit mielellään käytä. Tällainhan se luottamus verkostoissa toimii ja etenkin kasvuyrityshommissa sijottajien kanssa. (SF2)

Joitakin sijotuksia mä oon tehny ihan puhtaasti siitä että mä tykkään siitä mitä firma tekee. Mä lähin yhteen lautapelifirmaan mukaan. Bisnes keissinä ei välttämättä niin älyttömän hyvä mut mä tykkään lautapeleistä, mä tykkäsin niistä tyypeistä. (AI2)

Yks keskeisimpiä juttuja on ne heikot signaalit millä sä viestit sijottajan kanssa. Sehän on kuitenkin tyyliin sitä että soitto tai tekstari tai lounas, materiaalit, kuinka kauan menee et sä vastaat, monet sijottajat sanoo suoraan et niinku jos ei meinaa tulla vastauksia, tai ne vastaukset ei oo selkeitä niin ne skippaa pois. Näitähän ihmiset alitajusesti lukee kuitenki koko ajan. (SF2)

Vuosien myötä oon huomannu että joka kerta kun esitys hylätään niin että kukaan ei lähe sijottamaan niin se tehdään aina sillä perusteella että "teillä ei ollu vielä kyllin paljon asiakaskokemuksia ja tavotteita, teillä on liian vähän tota ja tota" mut sitte kun se tulee se epävirallinen keskustelu jossain illallisen yhteydessä niin sit tullaan useesti siihen että "no eihän siitä esityksestä saanu oikein mitään selvää" jos on esimerkiks suomenruotsalainen ollu tai jotain muuta. Ne on usein loppujen lopuks ihan ihme asioita niinku sen ihmisen vaatteista, ulkonäöstä, miten paljon se sähläs tekniikan kanssa. Ja hyvätkin ideat voi mennä sillon ohi. (MP6)

Tosi moni sanoo että semmosta ei ole olemassa kun intuitio. Yhen miehen kanssa väittelin tästä toissaviikolla ja sit mä kysyin että mikskä sä sanot sitä? Nii sit se sano et ei ole ollenkaan semmosta. Sit se sano loppujen lopuks että *vaisto.* Onhan hänellä tämmönen alkukantanen metsästys vaisto. Okei voidaan nimittää sitä sit vaistoks mutta se on mun mielestä sama kun intuitio joka on yhtä kun alitajunta ja sit tullaan taas brändin rakentamiseen ja siihen tunteeseen. Mutta ihmiset ei osaa ajatella sitä niin. (MP6)

Loppujen lopuks se että onko se peukku ylös vai alaspäin on aika tunne päätös. Se on fiilis päätös koska varmuuttahan näissä ei oo missään. (SF2)

Mää tunnen paljon yksityisiä sijottajia ja bisnesenkeleitä niin ne ei osaa vastata siihen - ne vaan puhuu just siitä että se on uskottava esitys ja siellä on luvut kunnossa ja tiimi kunnossa ja selkeet tavotteet ja hyvä visio ja tuotekehityksestä on mittarit jne. Ihan rehellisesti sanoen niissä listoissa voidaan yhen käden sormilla laskee et kukaan on sanonu että se *brändi* vakuutti. Koska sekin on semmosta alitajusta, ne ei osaa niinku sanoo että mikä siinä sitte on. Mä uskon että jos sä kysyt nyt joltain 50 plus enkelisijottajalta että vaikuttiko yrityksen logot ja tälläset asiaan niin nehän sanoo että jos tuote ja palvelu on hyvät niin ei oo mitään merkitystä. Eihän se mee niin! (MP6)

Mitä enemmän todistusaineistoo siitä että homma rokkaa niin sen vähemmän siinä on tilaa intuitiolle. Tän takia enkelisijottamisessa ei mun mielestä tämmöset exceli jutut toimi niin hyvin kun pitemmällä olevissa keisseissä. Osakemarkkinoitahan pitäs kattoo ihan puhtaasti excelivetosesti koska siellä on dataa olemassa. Startupissa kun ei oo mitään mitä laittaa exceliin. (AI2)

Jos sä oot joku iso kuluttajatuote ja alat myymään tuhansille ihmisille niin sit mitä kivemman näköseks se saahaan niin sitä enemmän ihmiset kiinnostuu ja tykkää ostaa sun tuotteita. (MP1)

Täähän on se perus kysymys mitä itekkin tällä hetkellä pohdin, että mitenkä tämä gäppi saatas entistä isommaksi. Miks maksetaan jostain kolmen hengen firmasta monta miljoonaa ku ei siellä oo mitään muuta ku ne kolme miestä ja läppäri. (AI1)

Ja se lähtee tästä ajattelusta et meillä on näkyvä ja näkymätön tase yhtiössä. Ja nyt se mitä sä yrität puhua mulle on se että tää näkymätön tase joka on, että sitä pystyttäs jollakin tavalla feikata, ja se onnistuu ehkä myynnissä mut ei tämmösen pitkäaikasen suhteen kanssa. (AI1)

Että et sä pysty feikkaa ihan hirveen kauaa. Ei oo semmosta brändi kikkaa tai työkalua millä sä saat ittes myytyä sijoittajille. Sijottajat kuitenkin sijottaa siihen liiketoimintaan joka pyörii numeroitten kautta ja niitä on sit tosi vaikee feikata. (MP1)

Jos mietitään sitä mielikuvan tai brändin rakentamista niinku sen sijottajan suuntaan niin jos se pystyy tuomaan nämä asiat realistisesti mukaan että tällain mä oon toiminu ja tällänen mä olen. Niin sillonhan se rakentaa niinku oikeeta mielikuvaa eikä niin sanotusti brändi-imagoa. (AI1)

Kyl mä luulen et se rationaalisuus korostuu mitä pitemmälle mennään. Tottakai ku performanssia rupee tulee ja näkee mihin menee. Mut varmaan silti se lopullinen sijotuspäätös tiettyyn pisteeseen asti tehään tunteella, tai ei ees tiettyyn pisteeseen koska ihan sama asiahan se on pörssilistatuissa firmoissa. (SF2)

Sit jos se on hyvin mietitty niin sit se on tyyliin ensimmäisestä slaidista lähtien kaikki on eheetä, niinku värimaailmasta, logosta, firman nimestä, sloganeista, kuvamaailmasta, ku se on ehee se tarina niin siihen pääsee helpommin kärryille ja se on hirveen paljon helpompi ostaa. Ja sit se on varmaan asiakkaidenkin paljon helpompi ostaa. Jos se on semmonen sillisalaatti et jos mä en pääse siihen kärryille et mikä tää nyt on niin tuskin kukaan muukaan siihen pääsee, niin emmä semmoseen sijota. (AI2)