VoIP branding: How to bridge the gaps between your brand identity and brand equity
- A corporate-consumer perspective with Rebtel Networks AB

By

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Abstract

A hi-tech company often focuses on being innovative by providing product offerings as product leader, fast follower or with operational excellence. In the international calling sector the technological solutions are numerous. The providers are, for instance, normal telecom providers, Voice over Internet Protocol (VoIP) and Mobile virtual network operators (MVNO). This means that a company faces not only the competitors that offer the same solution but also from outside the company’s business sector. The company thus needs to tackle many challenges, such as fast-paced product development, market expansion, competitor volatility, at the same time as the company cultivates its brand assets.

This study focuses on the branding strategy within the VoIP telecom sector. It aims to set a guideline for how companies, in particular in the VoIP telecom sectors, cultivate and enhance their brand identity in order to differentiate themselves from competitors as well as achieve a successful and sustainable level of brand equity. The thesis also studies the brand strategies that have already manifested themselves within the providers of international calling services, in particular VoIP providers and a couple of MVNO providers. By conducting the brand identity and brand equity analysis, customer analysis and competitors’ analysis, a company can make a decision on brand strategy that will further associate, differentiate, energize and support its brands.

The research framework consists of both the corporate and consumer perspectives. It consists of brand theory, market research, competitor analysis and the company’s brand identity, as well as brand awareness analysis. The thesis presents the Swedish VoIP consumers’ behavior and trends, the guideline and case study on how a company bridges the gap between brand identity and brand equity as well as the guideline and case study of brand portfolio strategies that have been explored within the VoIP telecom sectors, i.e. VoIP branding.

Keywords: brand identity, brand awareness, branding in hi-tech environment, market complexity, VoIP branding, MVNO branding, corporate base perspective, consumer base perspective, market research
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1. Introduction

This chapter presents the introduction to the topic of the thesis as well as the objective, background and the scope of the thesis.

1.1 Background

One of the complexities of marketing and branding in the VoIP telecom sector is due to the hi-tech environment nature where it competes, as described by Mohr et al. (Jakki Mohr, 2010) The hi-tech environment possesses three main characteristics; market uncertainty, technological uncertainty and competitive volatility. The market for hi-tech company is uncertain due to rapid changes of customer needs and customer anxiety over new technological standards for new products. The technology is uncertain in a way that one never knows for how long this technology will be viable before new technology makes its entrance. The high tech competitive arena is complex because of the fast pace of change and the uncertainty about competitors and their strategies.

In the past what comprises the value of the company is its land and buildings. Later companies realize the value of the brand. Brand is analyzed through its brand name, logo, image and awareness etc. The central of a brand concept should be focus on brand identity. (Kapferre 2004)

International calls can be made through various means, such as via the normal operator in each country, VoIP and MVNO providers, etc. MVNOs, Mobile Virtual Network Operators purchase minutes of use (MOUs) from traditional mobile operators and offer a mobile communication service to their own customer base. VoIP (Voice-over-Internet Protocol) deliver voice communications and multimedia over Internet Protocol (IP) networks. VoIP (allow users to make a phone call with other users that use the same VoIP application for free, and with a small fee to a landline or mobile number. The VoIP company that has brought this technology to market and which is still the top brand until today is Skype. One objective of providing certain free service falls into a “freemium” strategy where the company first offers a free service to attract subscribers and gains the advantage of consumer lock-in as well as establishing switching cost. International calling providers are plenty, both global and local players. How does a company differentiate themselves among one another? What is the trend of brand building in the high-technology environment especially in the VoIP start-up? How much is a brand portfolio strategy relevant and can be applied in this business?

Originally, phone calls made over the Internet had a bad reputation of providing poor quality call. With today’s technology and IT infrastructures, VoIP provide the same call quality to traditional landline and mobile providers but in a cheaper manner. The development of broadband has facilitated the growth and quality of both VoIP PC-to-PC and Mobile VoIP. Not only is the business solution that makes Mobile VoIP an interesting market, but also its potential. (Bradley,
In 2010 Juniper Research performed the forecast and predicted that within two years there would be at least 100 million mobile VoIP users. Consumers already say today that they would switch to using mobile when making international calls. (Drewniak, 2010) Rebtel, the world’s largest independent mobile VoIP company conducted a survey in 2010 through Harris Interactive online on consumer’s long distance calling service habits. According to the survey, 43% of the respondents said that they would switch to using mobile when making international calls. (Skype commands 13 percent of international phone calls, 2010) Last year, Skype the market leader accounted for 13 percent of international phone calls, which means there was still at least 87 percent of the market to explore.

According to Rebtel’s CEO, Andreas Bernström on the article in Affärsvarlden, Rebtel is today’s largest independent VoIP company in terms of users and hours of call. Hjalmar Winbladh and Jonas Lindroth founded the company in 2006. Rebtel, product routes international calls made from mobile phones and landlines to local numbers to provide a better price solution. Rebtel has today more than 13 million registered users. Rebtel service is available in more than 150 countries around the globe. Today Rebtel has 10 million users in 50 countries. Rebtel has 50 employees with the predicted 580 million SEK revenue in 2011. Rebtel’s strategy is based on two pillars, Great Quality and Low Prices. The company’s vision is to be the best at providing affordable international calling to the people who need it the most. At the moment Rebtel target consumers are smartphone owners who make frequent international calls. Rebtel’s competitors include Skype, JAJAH, Lebara and Vopium.

In order to sustain the above uncertainties and create brand equity in the hi-tech environment a company needs to understand the fast pace of the hi-tech environment as well as focus its core, i.e. brand identity. (Kapferrer, 2004) The company’s defined brand identity helps the company to make decisions on the sponsorship, an advertising campaign and brand extension that suit the brand. Company’s brand identity and brand equity has an important and direct link to the company’s decision on the brand portfolio. Aaker suggests that brand equity and brand identity and brand portfolio audit together with market forces and dynamics and business strategy are the four important inputs to brand portfolio strategy. (Aaker, Brand Portfolio Strategy, 2004)

1.2 Previous thesis paper on VoIP

Previous studies in Sweden on VoIP can be divided into three different categories. The first category focuses on the technical development of VoIP, software and hardware including research topic such as VoIP Security for Mobile Devices. The second category aimed at exploring the potential of VoIP usage with topics on such as the Future of VoIP in Economic Downturn. The third group, which was the most relevant for this thesis paper, studied market strategy, such as the growth of Skype and the study of organizational strategy within four telecom companies. Another relevant study is a thesis on telecom branding which study the brand identity in term of brand position, of a couple of traditional telecom operators.
However, there has not been a thesis paper that explores the overall brand strategy of the VoIP sector with a focus on the providers available for users in Sweden. Another aspect that makes this thesis unique is the link between consumer perspective (market survey) and corporate brand identity and equity, and the brand strategy especially within the hi-tech environment context.

1.3 Theoretical Delimitations

This thesis presents the theory of the hi-tech environment market structure and complexity, then the theory on brand equity and brand identity and brand portfolio strategy respectively. This thesis covers the theories of brand identity, brand awareness and brand portfolio strategy in brand portfolio dimension. The brand portfolio strategy is investigated on the brand portfolio dimension only. Moreover, the brand strategy is based largely on books and articles from leading brand portfolio experts such as David A. Aaker, Erich Joachimsthaler and Jean-Noel Kapferrer.

1.4 Empirical Delimitations

An effective brand identity is the brand identity that creates response among the customers, differentiates the brand from competitors and expresses the organization's values. In order to understand and develop an effective brand identity, each organization needs to perform a strategic brand analysis. This analysis comprises of three parts, customers, competitors and the brand itself. (Aaker & Joachimsthaler, Brand Leadership, 2009)

The empirical study contains the three analyses which has been adapted from Aaker's strategic brand analysis. (Aaker & Joachimsthaler, Brand Leadership, 2009) The first part is the interview with case company, Rebtel Network AB that will be a base for the analysis of Rebtel's brand identity and business strategy. The second part is the e-survey representing the population of Sweden will give an overview of brand identity and brand equity of case company and selected VoIP providers among existing and potential customers. And the investigation and collection of brand strategy that is exercised within the VoIP industry will contribute to the case company's self- and competitor analysis.
The VoIP industry is studied mainly on the issues of customer benefits and market potential rather than the technology itself. The exception of two MVNO providers (Appendix E) is also investigated due to its competition for the same market, i.e., international calling customers.

1.5 Objectives

The main objectives of this thesis are to find out:

- The characteristics of VoIP consumers in Sweden and their preferences
- How a company can form and bridge the gaps between brand identity and brand equity
- Brand portfolio strategies, which are dominating the VoIP industry (VoIP Branding).

1.6 Chapters layout

Chapter 1 Introduction gives an introduction over the motive and limitation of the thesis.
Chapter 2 Method gives an overview of research methodology applied for this research.
Chapter 3 the Theoretical Frame of Reference gives an overview of brand theories applied for this research.
Chapter 4 the Empirical Frame of Reference presents the data collected from the interview, survey and the investigation of brand strategy.
Chapter 5 Analysis presents the alignment and benchmark of the theoretical and empirical frame of references.
Chapter 6 Conclusion presents the author’s summary of the research as well as Chapter 7 Recommendations for future study.
Chapter 8 References lists all the literature and websites that are the source of the theory and data presented in this thesis.
2. Method

The chapter describes the different types of research paradigm, research purpose, the process of the research as well as the degree of credibility and validity of a research. Each section starts with the introduction of the research theory and ends with the choice of research that is applied within this thesis paper.

2.1 Research Paradigms

Collis and Hussey suggest two essential research paradigms; positivism and interpretivism. (Collis & Hussey, 2009)

2.1.1 Positivism

Positivism believes that reality is independent of the human being. This type of research aims to discover theories based on empirical findings through observation and experiment. Knowledge is created from information that is scientifically verified. Researchers within this paradigm concentrate on theories to “explain and/or predict social phenomena”. The explanation is conducted by establishing a causal relationship between the variables. This paradigm assumes that social phenomena can be measured and it applies quantitative methods. (Collis & Hussey, 2009, p. 56)

2.1.2 Interpretivism

Interpretivism believes that social reality is subjective under the influence of our perception. The focus is to gain an understanding of social phenomena. Thus interpretivism rather uses qualitative research to describe and translate the phenomena. The research aims to provide interpretive explanation of social event within a certain context. (Collis & Hussey, 2009)

This thesis paper follows mainly the interpretivism trail where qualitative study from the interview. However, quantitative study from the survey is also used to subjectively describe a current trend within users of the VoIP sector in Sweden. The main objective is to capture the brand strategies that are and can be applied within the VoIP sector.

2.2 Purpose of the research

Collis and Hussey suggest four types of research purposes; exploratory research, descriptive research, analytical or explanatory research and predictive research. (Collis & Hussey, 2009)

Exploratory research focuses on finding patterns, ideas or hypotheses. The research method is for instance, case studies and observation. This research explores the existing theories and concepts that can be applied to the problem.
The research can also be used to develop the new theories. (Collis & Hussey, 2009)

*Descriptive research* is performed to identify and obtain characteristics of the issues to explain the existing phenomena. For descriptive study, the research questions often start with what or how. In this study, it is important to refine the research questions in relation to the phenomena that are being studied. (Collis & Hussey, 2009)

*Analytical or explanatory research* furthers the descriptive research by analyzing and explaining the cause of the studied phenomena. Thus, the research focuses on understanding the event by discovering and measuring casual relationships among them. This can be done by identifying and controlling certain variables in the research. (Collis & Hussey, 2009)

*Predictive research* aims to find a generalization of the studied phenomena through a hypothesis of general relationships. The presumption is that the solution found to a studied problem will be applicable to similar problems somewhere else. Predictive research provides answers to the questions of "how", "why" and "where" and answers to today's phenomena and also to similar phenomenon that will occur in the future. (Collis & Hussey, 2009)

This thesis paper is a combination of descriptive research and predictive research, after which the paper first tries to identify and obtain the brand identity and characteristics of the branding strategy in the VoIP sector. Together with the market research, the thesis paper provides a predictive how-to strategy for a company to use in order to compete with brand strategy in the VoIP sector. To some extent it will be possible to generalize the frame of research and findings from this thesis to other sectors.

### 2.3 Process of the research

Collis & Hussey explains the concept of qualitatives studies and quantitative study as follow. (Collis & Hussey, 2009)

#### 2.3.1 Qualitative studies

*Qualitative study* needs context to be able to be understood and is related to an interpretive methodology that provides findings with a *high degree of validity*. This means that some background information, contextualization, needs to be collected for qualitative study.

The methods for collecting data is for instance through an interview. At the interview the participants are asked certain questions to find out their opinion and feelings towards certain problems. For interpretivism, interviews are unstructured in order to explore what people have in common in terms of opinions, recollections, attitudes and feelings. While for positivism, interviews are structured in advance as in a questionnaire. The interviews can be performed face-to-face, by telephone, email or videoconferences with individuals separately or as a group. (Collis & Hussey, 2009)
The empirical study for the brand identity section will consist of semi-structured qualitative interview with the head of online marketing of Rebtel Networks AB, a leading Swedish VoIP company located in Stockholm, Sweden.

2.3.2 Quantitative studies

Quantitative data are accurate data, which can be collected at different points in time and in different contexts. This provides a finding with high degree of reliability as an outcome. The method relates to positivism. (Collis & Hussey, 2009 p. 163)

The empirical study for the measurement of brand awareness within the VoIP business sector in Sweden, as well as the brand identity and equity of Rebtel product, will be derived from the quantitative e-survey distributed through relevant Facebook pages.

Data collection methods are:

- Questionnaires. A questionnaire contains structured questions with an aim to obtain reliable responses from a certain group of people. The questionnaire can then be distributed by post, conducted via telephone, put online or via a face-to-face interview. (Collis & Hussey, 2009)

This research used both the qualitative study method where an interview was made with the Head of Online marketing of Rebtel Networks AB as well as the quantitative study through the survey posted online and sent randomly to certain Rebtel users.

- Designing questions
  - Open and closed questions. Closed questions are used to seek certain facts such as age or job title. Other closed questions may seek opinions by giving answers such as agree (yes)/disagree (no). Open questions are questions that allow participants to use their own words. This is when the researcher aims to find keywords, phrases or themes.
  - Multiple-choice questions. Multiple-choice questions are questions that participants can select from pre-listed answers. The difficulties lay thus in providing sufficient and effective pre-answers, as it is not the participant’s own words.
  - Ranking and rating scales. The ranking questions should be kept as low as possible as they are time-consuming and participants become unwilling to spend more time or becoming indecisive about the choices. In rating questions, two words or phrases such as degree and disagree are chosen to represent the two ends of the scales. (Collis & Hussey, 2009)

The questionnaire contained 38 questions and was a mixture of open and closed questions, multiple-choice questions and rating scales.
• Sampling methods
  o Sampling frame. The random sample is a set of the population in which each member has the same possibility of participating as a sample. (Collis & Hussey, 2009)
  
  o Sample size. A sample size is recommended to be as large as possible. The larger the sample size, the more accurately it will represent the population. (Collis & Hussey, 2009)

The target respondents are potential VoIP subscribers living in Sweden as any resident in Sweden may make an international call at any point in time through PC-PC, Mobile VoIP, SIM card, calling card or normal operators. This thesis comprises 257-survey response, which means it has a 5.13% margin of error and 90% confidence level in representing the 9 million population of Sweden. (Raosoft)

2.4 Outcome of the research

There are two types of research outcome, applied research and basic research as described below.

Applied research aims to apply its findings and existing knowledge to solve a specific, existing management practices problem. The research is more common on a short-term basis providing output such as project report, consulting report and articles in magazines.

Basic research aims to improve the understanding of current phenomenon without focusing on its immediate implementation. It aims to contribution to knowledge findings, rather than solving a certain problem for an organization. The typical research outcome is knowledge that may assist in finding solutions to future problems. The output is often a paper presented at academic conferences and articles published in academic journals. (Collis & Hussey, 2009)

This thesis will provide both types of outcomes. It present the basic research on branding strategy within the VoIP sectors as well as brand identity and brand equity of a case company. Later it integrates the theory and empirical finding in developing the guideline for further application of the brand strategy in this sector.

2.5 Logic of the research

Collis and Hussey suggest two types of research logic; deductive and inductive research.

Deductive research refers to a study where theory is developed and tested by empirical observation. Inductive research, on the other hand, develops theory from observing empirical reality. (Collis & Hussey, 2009)

This thesis integrates both research logic. The deductive research is firstly structured, where the theory of brand equity and brand identity and brand
portfolio strategy. The empirical study from VoIP sector then structures along the theory where the gaps will be identified revealing the future actions where company can further investigate. The generalization of brand strategy applied can also be developed.

2.6 Reliability

Reliability is the degree of credibility of the findings. The research has high reliability when repeated research would produce the same result. Positivism normally results in research with high reliability. (Collis & Hussey, 2009)

This research, due to its interpretive nature, would provide a lower degree of reliability. However, the quantitative survey will increase some reliability to the thesis.

2.7 Validity

Validity is the degree of accuracy with which the findings describe the studied phenomena. The important factors that would affect validity include research procedure, sample and method of measurement. Unlike positivists, interpretivists aim to understand the phenomena rather for the findings to be repeatable. Thus validity is often high under interpretivism and low under the positivism paradigm. (Collis & Hussey, 2009)

The qualitative interview with the case company will add degree of validity to this research.

2.8 Generalizability

Generalizability is the degree to which one conclusion about one thing from one population can be used with another population. The positivist will select a sample and determine the confidence with which the sample represents the population. Interpretivists can do this from single case if they possess a comprehensive and deep understanding of the phenomena. (Collis & Hussey, 2009)

This research will provide the examples of how VoIP company today is exercising the theory of brand identity, brand equity, and brand strategy. The result can be a branding guideline, VoIP branding, for any company entering the VoIP sector.

2.9 Primary data and secondary data

Primary data is collected from original sources such as through an experiment or survey. While secondary data is collected from existing sources such as from publications, statistics or corporate documents in both hard and digital format. (Collis & Hussey, 2009)

This research contains both primary data (interview and survey) as well as secondary data from books and articles on brand equity, brand identity and brand strategy and VoIP market potential.
3. Theoretical frame of reference

The theoretical frame of reference explains the definition and application of brand, brand identity and brand equity model. Each element of brand equity is then further described in more detail including the solution to increase the degree of each.

Later on it continues with the issue of branding in hi-tech environments where it’s definition, uncertainty and complexity are described. The business strategies of the pioneer, fast follower, imitator and operational excellence are then described as influential factors for a hi-tech company in creating brand identity. This chapter then gives an overview of brand portfolio strategy.

3.1 Brand

A brand is a differentiated name and symbol which includes for instance logo and trademark. A brand represents a product or service and sends signals to the customer about the source and message, and helps differentiate it from competitors. (Aaker, Managing Brand Equity, 1991)

A value of a brand

A brand provides values through different reasons. Firstly, a company can position a good brand at the premium price. Secondly, a good brand becomes the customer’s preferences and standard settings. Thirdly, it provides business value as a brand can be purchased and sold. (Aaker, Managing Brand Equity, 1991)

3.2 Market forces and Dynamics- Branding in the high-tech environment

High technology refers to innovative advanced technology including the areas of information technology, computer hardware, software, telecommunications, and Internet infrastructure as well as biotechnology, and energy. One of the main driven forces in this new economy is digitalization and connectivity (through the Internet, intranet, and mobile devices). High-tech companies need to understand their customers’ underlying needs and problems and mind-sets. (Jakki Mohr, 2010)

3.2.1 The complexity of hi-tech environment

The complexity of marketing in a hi-tech market lies in a high degree of uncertainty in the term of 1) market uncertainty, 2) technological uncertainty and 3) competitive volatility. This puts great demands on a marketer to execute the marketing plan excellently at the same time as establishing relationships with customers and business alliances. (Jakki Mohr, 2010)

Market uncertainty is derived from a customer’s uncertainty about whether the new technology will meet his/her needs. This results in customers delaying the adoption of new technology. They demand more knowledge about the new technology as well as a guaranteed post-purchase policy. Hence a marketer must
take action to assure customers before and after the purchase. Moreover, a customer has a habit of changing technology in a fast and unpredictable way. **Technological uncertainty** is the customer’s uncertainty over the quality of the new technology and the company that provides it. Consumer concerns over whether the new innovation will function as promised, if the new technology has any side effects and if the new technology will last long enough before an even newer development makes it irrelevant. **Competitive volatility** occurs when a different technology provides the same functionality (convergences) – this means new competition will be found in different product classes. Competitive volatility is a company’s uncertainty about who its competitors are. Companies in a hi-tech environment cannot be certain about who new competitors will be in the future. Moreover, since new competitors can originate from outside the company’s industry; they possess different competitive and unfamiliar marketing and business tactics. Lastly, a company is uncertain about what technology its competitors will use to satisfy the same customer’s need. Skype is a good example for this case. Skype’s VoIP technology radically changed the telecommunication industry and challenged the business model of international calling. (Jakki Mohr, 2010)

The hi-tech environment also processes characteristics of network externalities, which affect the value of a product positively as more users acquire it. **Direct network externalities** is when users receive more value from using the products the more the number of users of the same platform rises, such as Facebook and LinkedIn. The value of the innovation is created by the connectivity and communication among users. For example, the first telephone was worthless, the second made the first more valuable, and so on. **Indirect network externalities** is the complementary products offering to existing users which provide additional value for each customer creating a positive feedback loop among providers and customers. (Jakki Mohr, 2010)

### 3.2.2 Hi-tech consumer purchase decision

A hi-tech consumer purchase decision involves the process of **problem recognition, information search, alternative evaluation, and design evaluation, purchase decision-making and post-purchase evaluation**.

Firstly, consumers realize their need to solve problems due to internal factors such as problems with existing service or by external factors such as observation of new technology purchases. The consumer then starts to search for information and a solution to a problem. Here the buyer will identify a set of solutions to choose from. The amount of information that the buyer needs will differ due to the type of product. Consumers may search for information by asking friends or colleagues or look at commercial sources such as advertising or public sources such as the Internet. However, consumers in a high technology environment are often careful about evaluating products due to the switching costs incurred.

Another influential factor for a customer, when choosing a product or service, is the attractive form or cool design. Design creates value for an organization by acting as a **differentiator** for a product, brand or image and an **integrator of**
efficient business and delivering customer experience. Moreover, integrating sustainability issues in the design and product creation process will be both a source of competitive advantage and social responsibility for companies.

Already in the prior steps, consumers have formed their opinions and feelings toward each alternative. At the purchasing point, consumers will gain experience of contact with retailers and service providers. After that, consumers’ experience how they could learn to use the new technology, evaluate how the products deliver its promise and discover any hidden costs. This post-purchase stage is critical for tech consumers. This also involves the company’s effort on long-term customer relationship. It is beneficial for the company to facilitate user interaction both offline and online to learn from each other. (Jakki Mohr, 2010)

3.2.2.1 Crossing the chasm

The chasm represents the space between two extremely different customer segments of technology products. One is visionaries, who are eager to use the new technology despite the higher price. Pragmatists are the majority of the market. They must be convinced of the benefit of trying the new product. High tech products must cross the chasm in order to be attractive to a mainstream market. Thus, high-tech companies need to find out the reason and motivations that will drive pragmatists to adopt technology and then designing a marketing strategy that will speak to their motivation. (Jakki Mohr, 2010)

3.2.2.2 Customer lock-in

The benefit of being the first company to have its technology widely adopted is the opportunity to set the standard for the industry. A company implements the so-called “get big fast” strategy, where a company offers low price (or even free) product/service to generate users. A company can also license the underlying technology to other companies so more companies rely on the same platform. This is for the company to quickly grow its installment of a certain technology. The goal of these strategies is to achieve customer lock-in where switching costs, or the additional time, money, and effort become a burden for customers to switch to a new vendor’s offering. Switching cost is derived from the time and frustration of learning a new program. (Jakki Mohr, 2010)

3.2.3 Business Strategy - The contingency model for high-tech marketing

Mohr describes four different business strategies in high-tech marketing as follow.

1) **Product Leader (Prospector)** strategy is when a company has a new innovative product and becomes a market pioneer. There are several advantages of being product leader. Firstly, product leader gains competitive advantages by setting barriers such as economies of scales, awareness and switching costs. When there is not yet a follower, a company will gain a monopoly where higher profits can be gained. Moreover, since a customer does not know much about the product, a product leader has a chance to set the standard and the value that the
product defines. The first leader thus becomes a prototype. A product leader also benefits from higher degree of consumer awareness.

However being product leader also involves big risk. A company can gain winner-take all possibilities as well as failing completely. Statistics show that the company that is completely innovative and markets the service first often fails. Thus first must balance between time of market entrance, degree of product innovativeness and development cost. Pioneer often incurs a high development cost despite the other competitive advantages mentioned. In the long run, pioneers are less profitable than late entrants. (Jakki Mohr, 2010)

2) **Fast Follower (Analyzer)** strategy is when a company imitates the Product Leader’s successful product. They put effort into improving the product leader’s offering. They can compete with Product Leaders with superior innovative products, lower prices, outadvertising the leader or innovative strategies that change the rules of the industry.

A study showed that fast followers could imitate a pioneer success if they can provide a cost that is at least 35% cheaper. Besides, a follower can reduce its marketing effort, as they do not have to educate the customers about the new technology. (Jakki Mohr, 2010)

3) **Customer Intimate (Differentiated Defender)** strategy emphasizes offering what certain customers want. Companies target either more narrow niches or individual customers. They create relationships and specialize in satisfying unique needs from this relationship. (Jakki Mohr, 2010)

4) **Operational Excellent (Low-Cost Defender)** strategy targets consumers with their excellent combination of quality, price, and easy-access purchase. The operational excellent company seeks technological, production, and/or distribution efficiency so that they can achieve cost leadership across the value chain. (Jakki Mohr, 2010)

### 3.2.4 Strategies for branding in High-tech market

In successfully establishing a brand in hi-tech environment, Jakki More suggests the following branding strategies. (Jakki Mohr, 2010):

- **Create a steady stream of innovations with a strong value proposition**
  In order to win hi-tech consumers’ loyalty, company needs to continuously offer a stream of innovation and it is a requisite that strong brands deliver the value they promise. (Jakki Mohr, 2010)

- **Emphasize advertising to create awareness and a brand image**
  Strong brands should use advertising to send message of brand positioning and value (not only price deal and promotion). The
advertising message should create the right brand associations and thus sending the right brand image. (Jakki Mohr, 2010)

- **Effectively harness web 2.0 technologies and New Media**
  An effective branding strategy integrates the online and offline campaigns. The guiding principles in optimizing the usage of new media for branding is 1) to be honest in the communications, 2) response with positive actions to users’ complaints and 3) provide real value. (Jakki Mohr, 2010)

- **“Influence the Influence” and stimulate words of mouth**
  Establishing brand in the hi-tech environment, a company needs to quickly stimulate the *word of mouth*. Publicity and public relation is crucial. Many hi-tech companies establish the relationship with business influencer to create credibility and word of mouth. This includes the endorsements from top companies, leading industry or consumer magazines or industry expert, which also helps in achieving the perception of product quality. It is important for company’s public relations to identify the relevant experts that influence the masses. (Jakki Mohr, 2010)

- **Think strategically about corporate social responsibilities (CSR)**
  CSR should be used strategically to enhance and create positive *brand associations*. Moreover, it can also be used to differentiate the company from competitors. (Jakki Mohr, 2010)

- **Brand the company, platform or idea**
  New brand name creation is expensive and can cause difficulty for customers to develop the brand loyalty, thus, a company should consider using brand hierarchy when naming their products. This means having the company/corporate name (such as Microsoft), the technology platform (such as Windows) and then the individual product within the platform (such as Window Vista).

  A corporate that project strong business stability and credibility also sends positive signal of reliability and trustworthiness to customers. Many hi-tech companies have the same product names as the corporate names. It is thus important that the product brand strategy goes hand in hand and does not detriment the corporate brand identity. (Jakki Mohr, 2010)

- **Rely on symbols**
  A company should create and select symbols or imagery that establish brand identity and enhance its association. For instance, Linux’s Penguin mascot conveys the message of comfort and contentment and Napster’s Kitty, which sent the signal of being hip, rebellious and edgy. (Jakki Mohr, 2010)
• **Utilize effective internal branding**  
In order for any branding effort to be successful, company must ensure that all its personnel are informed first about the changes as well as the reason for changes, and their roles in the changing process. (Jakki Mohr, 2010)

• **Manage all points of contact**  
Customer service is as important when branding a brand as much as advertising campaign or new product development. Company needs to take proactive approach in evaluating the touch points that prospective, new and existing company will have with the product and then ensure that each interaction will deliver and enhance the brand promise. (Jakki Mohr, 2010)

• **Work with partners (co-branding and ingredient branding)**  
Co-branding is when two companies jointly brand their product offering. The value of two companies’ brands when used together should be stronger than that of one brand alone. Ingredient branding is most suitable when supplier’s ingredient support that performance capability of the end product. For instance Intel is an ingredient that supports the performance quality of a computer. (Jakki Mohr, 2010)
3.3 Brand identity

3.3.1 The six facets of brand identity

Kapferrer suggests the definition of brand identity on six facets dimension and interrelated boundaries. A brand does not exist if it is not communicated. The facets to the left are the visible and social facets, so called externation. It comprises of physique, relationship and reflection facets. The facets to the right are the brand spirit, so called, internalisation. It includes personality, culture and self-image. The six facets of brand identity is illustrated and further described as follow:

![Diagram of six facets of brand identity]

Figure 3: the Six facets of brand identity
Source: (Kapferrer, 2004) p. 112

1. **Physical facet.** A brand is a physical element. A brand has physical elements also called “physique”, i.e. its appearance and functionality.

2. **Personality facet.** A brand is a personality. A brand can build a character through communicating. The way in which it communicates sends a signal on the human personality of the brand.

3. **Culture facet.** A brand is a culture. Many brands are both driven by their culture and also manifest their culture. Country of origin is one aspect of the brand’s culture. Culture creates a link between a brand and the company especially in the case where they share a name. Brand culture helps differentiate the brand, especially in the case of luxury products.

4. **Relationship facet.** A brand is a relationship. Brands convey value and functionality, which creates a relationship between its users and the brand.

5. **Customer facet.** A brand is a customer reflection. A brand addresses and reflects what customers see themselves in their association with the brand.
6. **Self-image facet.** A brand speaks to people's self-image. By associating themselves with a certain brand, people develop an inner image of themselves from the brand.

### 3.3.2 Aaker’s brand identity

Brand identity is the perception of the brand that the company wants to project. The core identity is the brand center or essence. The core identity contains the constant brand associations. Core identity should be resistant to change. The core identity represents the soul of the brand, brand fundamental beliefs and value as well as the abilities the organization behind the brand and the value that it stands for. The extended identity provides completeness to the core identity. It adds picture and details about what the brand stands for. (Aaker, Building Strong Brands, 1996)

A brand identity provides vision, goal and meaning for the brand. Brand identity is built upon a set of brand associations that a company decides for a brand which needs to be developed and maintained. These associations tell customers the brand’s message as well as its promises. Brand identity consists of four perspectives (brand as product, organization, person and symbol) with twelve dimensions as follow. (Aaker & Joachimsthaler, Brand Leadership, 2009)

![BRAND IDENTITY Diagram](image)

**Figure 4:** Aaker’s Brand Identity Dimension
Source: (Aaker, Building Strong Brands, 1996)

#### 3.3.2.1 Brand as Product

Product related association is one of the most important brand identity dimensions as they directly associate to the customer’s brand selection and the use experience. (Aaker & Joachimsthaler, Brand Leadership, 2009)
3.3.2.2 Brand as Organization

This aspect shifts the focus of branding to the organizations in being for instance innovative, striving for quality products, and having concern for the environment, etc. Organizational attributes are more sustainable than product attributes. This is because it is easier to copy the product but harder to imitate the entire organization, its values and people. Moreover, the organization's credibility will also support the product offering. (Aaker & Joachimsthaler, Brand Leadership, 2009)

3.3.2.3 Brand as Person

Brand can be perceived as a person such as being cheerful, smart or sophisticated. A brand personality will contribute to a stronger brand because of several reasons. Firstly, it helps create a self-expressive benefit that customer can connect to his or her personality, for instance, an Apple user may perceive themselves as being creative. Secondly, brand personality is an opportunity for company to create relationship between the brand and its customers. For instance, customers may relate Dell Computer to a professional who helps with the tough job. Third, a brand personality can also be used to help communicate the functional benefit such as the Michelin's man with his strong and energetic personality give perception of a strong Michelin tire. (Aaker & Joachimsthaler, Brand Leadership, 2009)

![Figure 5: The integration of Michelin man in marketing campaign](source: Michelin)

3.3.2.4 Brand as Symbols

A strong symbol helps provide cohesion to brand identity and facilitate its brand recognition and recall. Symbol in the form of visual imaginary can help customer to remember the brand, such as McDonald’s golden arches and the Mercedes-Benz emblem. Moreover, symbol is meaningful if it relates to a certain metaphor relating to a functional, emotional, or self-expressive benefit, such as the Allstate’s “Good Hands” logo for reliable and caring service. Besides, a lively and meaningful heritage can help representing the
core of the brand such as the U.S. Marine's rich and historical story together with the tagline “The few, the proud, the Marines. (Aaker & Joachimsthaler, Brand Leadership, 2009)

Figure 6: Allstate's logo is the metaphor for the “good hands” slogan
Source: (Allstate)

Figure 7: the U.S. Marine’s strategic exploit of their rich, patriotic heritage
Source: (Marines)

3.3.3 Brand Personality Scale (BPS)

In developing brand personality, a company can use the Brand Personality Scale (BPS) as a guideline. BPS is a set of brand personality traits designed to both measure and structure a set of brand personalities. It was based on 1000 US respondents and was tested on 60 well-known brands. Five main personalities were developed from this attempt; Sincerity, Excitement, Competence, Sophistication and Ruggedness. The research also showed that sincerity is often use by heritage brand such as Kodak and Coke. Excitement is often used in cars, athletic equipment, cosmetics and even coffee industry. (Aaker & Joachimsthaler, Brand Leadership, 2009)

Appendix D describes the A Brand Personality Scale (BPS): The Big Five and their extended personality traits, each with further personality facets. Company can apply the BPS in choosing the personality to emphasize. For instance a strong sincerity brand may choose to emphasize on cheerful instead of Honest, or a brand, which focus on Competence, may choose to further emphasize on Intelligent or Successful characteristics. (Aaker & Joachimsthaler, Brand Leadership, 2009)
3.4 Aaker’s brand equity model

Brand equity refers to brand assets and liabilities which are linked to a brand. Brand equity consists of *name awareness, loyal customers, perceived quality and associations* that are linked to the brand. The decision on brand equity development affects a company’s market position and its capability of resisting aggressive competitors. Investing in brand equity often requires patience and vision, as it may not always produce short-term results. (Aaker, Managing Brand Equity, 1991)

*Brand equity provides value to both customer and company.* Brand equity helps a customer to construct, process and store information about the brands. Both perceived quality and brand associations influence a customer’s satisfaction.

Brand equity adds value for the companies by generating cash flow by:
- Providing programs to create interest among new customers, retain or recapture previous customers.
- Creating brand loyalty.
- Allowing premium pricing
- Providing competitive advantage and acting as the barrier to entry for competitors.
- Supporting brand extensions
- Providing advantages in the distribution channels. (Aaker, Managing Brand Equity, 1991)
The five categories of brand equity
Aaker suggests five categories of brand equity as described below.

Figure 8: Aaker’s brand equity model
Source: (Aaker, Managing Brand Equity, 1991)
3.4.1 Brand Loyalty

The existing customers are the proof and reassurance to new customers. In many markets, it is difficult to initiate customers to switch to new product, even though switching costs and customer commitment is low. Brand equity is low if customers are indifferent to the brand and buy products after features and prices rather than brand name. If a customer continues to buy the product within the brand even though competitors offer a product with superior features, price and convenience, this means that the brand, including its symbol and slogan, has value. (Aaker, Managing Brand Equity, 1991)

The strategic value of brand loyalty

Brand loyalty help reducing marketing costs as new customers are more costly to attain and it is less costly to maintain existing customers' satisfaction. Moreover, loyalty of existing customers will create an effective entry barrier against competitors. Brand loyalty creates trade leverage, making the brand attractive for future brand extension and alliances. Satisfaction of existing customers can be an effective message when attracting new customers. A large satisfied customer base sends a signal that the brand is acceptable and successful. Customer base also provide brand awareness, as they will spread the words to colleagues and friends. Brand loyalty provides the company with time to respond to competitive threats as well as making it harder for competitors to gain high incentives due to the cost of attracting new customers. (Aaker, Managing Brand Equity, 1991)

Maintaining and enhancing loyalty

It is easier to keep satisfied customers than to drive them away. People do not tend to change brand easily. Customers need to fight their own changing inertia and justification of the existing brand. Most customers tend to stay with the comfortable familiarity. First of all, delivering the brand promise provides the company with brand loyalty. The key is then to treat the customer right at every encounter i.e., treat them with respect.

Company should establish the culture of staying close to the customer; this can be achieved through meeting customers or focus group who actually using the products regularly. Trying to get in touch with customers sends a signal that customer is valued. The regular surveys of customer satisfaction/dissatisfaction should be conducted in order to measure/manage customer satisfaction in order to adjust product/service offering accordingly. The survey resulted needs to be integrated into the day-to-day management and operation. It can also be integrated into the compensation system.

Switching cost is created when customer’s effort to change will cause them to redefine their business. If a product can cause such effect, it will be able to attain customers. Another alternative is to reward customer loyalty through rewards such as the airline loyalty miles. A company can also ignite customer’s enthusiasm by providing unexpected extra services. (Aaker, Managing Brand Equity, 1991)
3.4.2 Awareness of the brand name and symbols

Brand awareness is the level of recognition and recall of a brand to a certain product category. (Aaker, Managing Brand Equity, 1991)

Value of brand awareness
Establish brand recognition is the first step in the communication task. Without the name recall, the further associations and feeling cannot be created. Thus brand awareness is valuable because it is a core to other brand associations to be developed and attached.

Moreover, brand awareness provides familiarity/liking that can drive the buying decision. Brand presence is a signal of brand substance/commitment. Besides, recalling a brand comes with an assumption that a brand that is known is probably reliable and has good quality.

If a customer does not recall a brand in the first place, the brand will not be among the set of alternatives in the purchase decision. Brand awareness makes brands to be among brands to consider. A recognized brand will thus often be chosen over an unknown brand. However, it is important to note that brand awareness alone cannot create sales, especially for a new product. (Aaker, Managing Brand Equity, 1991)

How to achieve brand awareness
Brand awareness includes brand recognition and brand recall. In order to achieve this awareness, marketer can focus on creating brand identity and its association to the production class.

Moreover, an awareness message has to be different and memorable. A company should strive to create a message that is unusual and not mainstream as the rest of the industry. Brand awareness should involve a catchy slogan or Jingle to enhance the recall. Symbol exposure can also help to create and maintain awareness. A symbol should comprise of the image that is easier to recall. Publicity and advertising is an effective way in gaining exposure and create awareness. Event sponsorship should aim to create awareness and recall such as the Volvo Ocean Race. (Aaker, Managing Brand Equity, 1991)

Extending the brand will create exposure which provides benefits from multiple promotion efforts such as Samsung's wide ranges of products from mobile phones to clothing and beauty products. (Aaker, Managing Brand Equity, 1991)

Using cues is useful to aid the awareness message about the product class, the brand or both. (Aaker, Managing Brand Equity, 1991) When customers seek for quality digital camera, they may be looking for cues such as a number of megapixels or green packaging for environmental friendly products or the word “Lite” on packaging for low calorie food. (Marketingminds, 2007)
Brand recognition can be achieved through a few exposures; however, the brand recall requires repetition over time especially in order to become top-of-mind recall. (Aaker, Managing Brand Equity, 1991)

### 3.4.3 Perceived Quality

Perceived quality is a customer’s perception of the quality or superiority of a product or service in relation to other alternatives. The quality perceived may differ among different industries. Perceived quality has direct influences on purchase decisions and brand loyalty. Moreover, a decline or loss of perceived quality is hard to reverse. (Aaker, Managing Brand Equity, 1991) p. 78-103.

**How perceived quality generates value**

Since perceived quality has a strong link to purchase decision. Positive perceived quality of a brand provides reason to buy. The positioning of the brand is also depends on its perceived quality dimension, whether it would be super premium, premium or economic entry. If a brand processes a perceived quality advantage, it can charge customers a premium price.

The brand may also offer a superior value at a competitive price rather than price premium, which should help them gain higher brand loyalty and a larger customer base. Distributors, retailers and other channel members will be more willing to work with brands with High perceive quality, thus company perceived quality granting company channel member interest.

Strong brands with high-perceived quality will be able to create brand extension to new product categories. Moreover, the PIM findings have shown that perceived quality affects market share, price, and profitability. 105 managers have responded that perceived quality is the number one competitive advantage (SCA) of the business. Second place was the customer service/product support. (Aaker, Managing Brand Equity, 1991)

**What influences perceived quality?**

In order to convince the customers that the quality is high, company needs to build its capacity of delivering high quality products. The company needs to establish commitment to quality, a quality culture as well as integrate customer input. This means obtain the accurate and current customer input on what customer believes is important which can be obtained from daily exposure with customers, or through the focus group, surveys or experiment. Company should also track customer complaints and ask for reasons. Company should also set the quality measurement or goal to strive for. Moreover, employees have direct impact on implementing and supporting quality improvement and solution, thus company should allow employee initiative. Company should also navigate customer expectation to a manageable level where the case of zero-defect operation is unattainable. (Aaker, Managing Brand Equity, 1991)
Achieving high quality is the first step; then actual quality must be translated into perceived quality. Moreover, the amount of advertising signals that a company is backing the product, which relatively implies that it must be a superior product. (Aaker, Managing Brand Equity, 1991)

Price can also be used as a quality cue. For customer, price is a quality cue when other cues are not available. If the customer lacks ability or motivation to evaluate the quality of different products; price will be more relevant in the decision. Higher price on average leads to higher relative perceived quality. However, when other clues are available such as intrinsic cues (speaker sizes) or extrinsic cues (such as a brand name) are available, customers are less likely to base the buying decision on price. (Aaker, Managing Brand Equity, 1991)

Apart from these, company needs to create or change customer perception, and make perception match actual quality. This can be achieved by communicating signals of quality such as prices levels, the presentation of employees and facilities and the communication of quality message by offering guarantees or by using external measurement such as industry standards or customer surveys. (Aaker, Managing Brand Equity, 1991)

3.4.4 A set of Associations

A brand association establishes the brand memory in customer’s mind. A brand image is a set of associations chosen to project a meaningful message of a brand. An association and an image create perceptions of the brand, which may or may not reflect the reality. Strong associations contribute to and support a well-positioned brand. A brand position explains how people perceive a brand and also how a company wants to be perceived. The meaning of the brand is dependent on the associations linked to it. These links can be personal, use experience or lifestyle. If a brand is well positioned through its associations in the particular product class, it will be hard for competitors to penetrate the market. (Aaker, Managing Brand Equity, 1991)

How brand association creates value
Brand associations help process/retrieve information. It provides summary of facts or specifications for customer to process and access. It helps the interpretation of facts and the recall of information. (Aaker, Managing Brand Equity, 1991)

Brand association provides a point of differentiation. The association can be key attributes in product class such as Nordstrom on service or product application as Gatorade for athletics. (Aaker, Managing Brand Equity, 1991)
Brand associations can focus on the product attributes or customer benefits that create a particular reason to buy and reason to use the brand. For instance, Colgate associates with providing clean white-teeth while close up generate fresh breath. Bloomingdale is a fun place to shop for high-fashion goods while Mercedes and American Express gold add status to the owners. (Aaker, Managing Brand Equity, 1991)

Associations such as liable celebrities such as Bill Cosby or symbols such as Jolly Green Giant or slogan such as “Reach out and touch someone” can create positive attitudes/feelings.

3.4.4.1 Types of associations
Manager should focus on brand associations that are directly or indirectly affecting buying behavior. The brand association should have the identity that is shared by large customer base. There are eleven types of brand associations: (Aaker, Managing Brand Equity, 1991)
1) **Product attributes.** This is when the association is linked to product attribute or characteristics. The example is the case of **Crest** that associates itself with cavity control through endorsement by the American Dental Association. In the same manner, Volvo stresses safety while BMW stresses performance.

2) **Intangible.** This is when the association is linked to other intangible values such as perceived quality, technological leadership, health, and nutrition.

3) **Customer benefits.** Product attributes is sometime also customer benefit. Cavity control is both Crest product characteristics and consumer benefit. Consumer benefits can be rational or psychological benefit. Miller's “Miller Time” shifts the association from calories and alcohol to the concept of a reward for work well done which is linked to positive activities and people. A psychological benefit can be a powerful association if it is accompanied by a rational benefit.

4) **Relative price.** This is when brand choose to position its product among competitors in certain relative price range. For example in the hotel market, Comfort and Days Inn would fall into Economy quality segment, While Courtyard and Holiday Inn is midrange and Marriott and Clarion in Luxury.

5) **Use/application.** This is when brand associate itself with a use or application, such as Campbell's soup positions itself as a lunchtime product or Lowenbrau associates its beer with good friends in a warm setting.

6) **Use/customer.** This when brand associates itself with a type of product user or customer. This approach is effective for matching positioning with a segmentation strategy. Such as Maybelline with the theme “Smart, beautiful, Maybelline” and “Miller Lite” as a light beer for the “heavy” beer drinker.

7) **Celebrity/person.** A celebrity often creates strong linking to the brand. Celebrity can give positive affect on product's technological competence such as the endorsement of Michael Jordan for Nike. However, the endorser needs not always be real such as Betty Crocker, Colonel Sanders or Juan Valdez. Company has actually more control over fictional character than a person who will age and change over time.

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Figure 13: Juan Valdez
Source: (uBuyCoffee, 2011)
8) **Life-style/personality.** A brand can be perceived through a number of personality and life-style characteristics. Research has shown that customers perceived Coke personality with family and flag, and a solid rural American. While they perceived Pepsi as exciting, innovative, fast growing but brash and pushy. Thus Pepsi decided to stop its Pepsi challenge taste-test and directed their campaign towards the “Pepsi generation”.

9) **Product class.** Some brands may need to choose to position itself to a certain product class for instance, whether they are regular or instant coffee or mixer beverage or a soft drink.

10) **Competitors.** Positioning against competitors can be an excellent approach to create a position especially when competitors already have an image, which a brand can use as a bridge to help communicate the brand’s own image in referring to it. Besides, comparison will help customers to easier understand the positioning such as when a brand claiming to be better than a certain brand.

![Figure 14: Sabroso comparing itself with Kahlua](image1)

Source: (Novak, 1977)

![Figure 15: Avis “We’re number two, we try harder” campaign.](image2)

Source: (BudapestPocketguide)

11) **Country or geographic area.** Country of origin can provide a brand with connections to products, material and capabilities. For instance, Germany is associated with beer and upscale automobile while France is with fashion and perfume. People’s perception on brand can be different in each country. Besides, some nations are more sensitive to country of origin than others. (Aaker, Managing Brand Equity, 1991)

### 3.4.4.2 Selecting, creating and maintaining associations

**Selection of associations**

The selection of the associations is an important process for any brand, as the selected association will motivate all the marketing effort and goals derived from it. The brand association also needs to support brand positioning. (Aaker, Managing Brand Equity, 1991)
• **Self-analysis**
Prior to making important decisions such as brand positioning and brand associations, a brand needs to conduct a brand perception test to find a compatible brand image that a brand can promise and live up to. A brand can then choose associations that will enhance the brand perception. It is recommended to “build upon existing associations or create new ones rather than to change or neutralize existing ones”.

• **Competitors’ associations**
In the meantime it is important to know competitors’ associations in order to be able to choose associations that will differentiate a brand from competitors.

• **Target market**
It is crucial for a brand to build or develop associations that enhance brand strengths and differentiated attributes will be appealing to the target market. A brand firstly needs to achieve parity and differentiation and most importantly to create an influential reason to-buy or add value to the product. A brand should not fall for associations or attribute associations that customers do not value or even worse with associations that are detracting or offensive. The information on reasons to buy that customers value can be collected from a discussion with focus group, interview or survey. (Aaker, Managing Brand Equity, 1991)

**Creating associations**
Association is anything that is linked to the central values of the brand, which are features and benefits, package and distribution channels, name, symbol and slogan. In order to decide which association to create, a company needs to identify and manage signals that are important for the product category. For high tech companies, successful venture capitalist is a source of credibility. Brand alliances with reputable company such as IBM and print media that can write about product review are also important.

When company chooses to create brand association on product advantage, they also need to understand subtle signals of negative associations that may occur.

Well-defined publicity needs not be expensive. Advertising effort is a direct contributor to creating associations as well as promotion and publicity. Effective publicity is an event or action that unusual and media finds it irresistible to write about. The most effective association is the one that can involve customers for instance a wine tour for the wine company. Promotion can be used to strengthen association and brand awareness, brand loyalty, and perceived quality. (Aaker, Managing Brand Equity, 1991)

**Maintaining associations**
In maintaining the associations, a company needs to be **consistent over time and be consistent on the decision on the marketing program**. Company needs also establish a guideline to which certain activities that marketing program should be focused on. For instance, Gatorade may decide that they would
have macho image and thus will only be associated with football and hockey but not with golf or baseball. Company needs also to protect brand-damaging due to the pressure from short-term result.

3.5 Market Research

*Market research is a key link between the organization and its market.* (Aaker, Kumar, & Day, Market Research, 7th edn., 2001) Aaker described different approaches in measuring the brand equity and customer satisfaction as follow.

3.5.1 Research questions under brand equity

3.5.1.1 Brand loyalty

Aaker writes that brand loyalty can be measured by asking questions about customer satisfaction and dissatisfaction and sales trend. (Aaker, Managing Brand Equity, 1991)

3.5.1.2 Brand awareness

According to Aaker, the questions that would help measuring brand awareness are such as if customer considers the brand as brand of choice. This type of questions can be designed in the form of:

- *Measuring brand recognition using an aided-recall test.* This is when customers are provided with a set of brand names from a product class. He/she is then asked to identify the brands that they recognize within that class.

- *Measuring brand recall, which* is when customer can remember a brand in the product category.

The first brand that is named is a top-of-mind brand in customer’s mind. A dominant brand is a brand that has highest percentage of being recalled. (Aaker, Managing Brand Equity, 1991)

3.5.1.3 Perceived quality

Aaker suggests that in this category, organization needs to find out what drives perceived quality, in other words, what is quality to customers and if perceived quality is valued. (Aaker, Kumar, & Day, Market Research, 7th edn., 2001) p. 668-669.

3.5.1.4 Brand Associations

The market questions on brand associations should be directed on the mental image that the brand stimulates in customers’ mind and if this image is a competitive one and if the brand has a slogan or symbol that help differentiated it from competitors. (Aaker, Kumar, & Day, Market Research, 7th edn., 2001)

Aaker further suggests types of questions that can be used to attain this information as describe below
• **Free associations**
This is by asking respondents to provide the first set of words that come to their mind. It is important for respondent to avoid thinking or evaluating but to provide words and thoughts as soon as they come up.

• **Picture Interpretation**
Another approach is asking customer to associate brands to other types of objects such as animals, cars or magazines.

  o **Paul Heylens’ IMPMAP**
Heylens developed brand-positioning model, IMPMAP that gives deep and broad information on brand identity. At the same time it can be seen as an extension of Kapferrer’s personality dimension. This model can also be used together with the Brand Personality Scale. In this model he describes the underlying identities of different car brands, which with translation by thesis author as follow:

![Heylen's Car brand personality](Uggla, 2006)

*Figure 16: Heylen’s Car brand personality
Source: (Uggla, 2006)*

**Warm, Harmony (Varm, Harmonisk):** Citroen, Fiat, Honda, Opel, Peugeot and Renault

**Receptive, Responsive (Receptiv, Följsam):** Toyota, Daihatsu, Hyundai, Subaru, Mitsubishi, Ford, Nissan

**Reserved and Unsure (Tillbakadragen, Osäker):** Skoda, Suzuki, Lada, Mazda, Seat
Determined and Confident (Beslutsam, Självsäker): Jaguar, Porsche, Alfa, Lancia, Audi, Mercedes, Rover, Volvo

Potent and Powerful (Potent, Kraftful): BMW, SAAB and VW

This model also gives indication for both positioning and repositioning. In the brand positioning purpose, supposed BMW was looking for partners that support its personality of being potent and powerful, among Dolce & Gabbana, Armani, BOSS and VERSACE; it would find BOSS as a more suitable partner. (Uggla, 2006)

- The use experience
  Asking and discussing about previous used experience will give room for participants to recall and reveal emotions and experiences with the brand.

- The decision process
  This approach is to track a person's decision process. When a consumer is at the moment of making decision, they may recall some associations that may not be a part of his/her overall picture of the brand. The emerged association may be the use experience of someone they know or someone who mentions the brand earlier. (Aaker, Managing Brand Equity, 1991)

3.5.2 Market research on Customer satisfaction

Aaker has further suggested the organization's regular conduct of customer satisfaction and tracking the results over time. This is so that a company can adapt its market-driven product/service attributes as necessary. (Aaker, Kumar, & Day, Market Research, 7th edn., 2001)
3.6 Brand Portfolio Strategy

According to Aaker, the brand portfolio strategy includes six dimensions. At the top is *brand portfolio dimension* itself which include the brand strategy to establish in order to reach the brand portfolio objectives. *Product defining Roles* and portfolio roles explain the different roles each brand can take. The *brand scopes* portrait product categories or subcategories and the brand context. The *portfolio structure* gives structure of the relationship between the brands. *Portfolio graphics* show how brand can present itself and in relation to other brands. (Aaker, Brand Portfolio Strategy, 2004)

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**Figure 17: Brand Portfolio Strategy**

Source: (Aaker, Brand Portfolio Strategy, 2004)
3.6.1 Brand portfolio dimension

3.6.1.1 Master Brands

Master brand is the key representative of the product offering. Master brand is the product's point of reference. Graphically, the master brand will take the top part. For instance, Toyota is a master brand with a line of cars. A master brand can have subbrand such as the Toyota Corolla, or can be endorsed. (Aaker, Brand Portfolio Strategy, 2004) p. 43

3.6.1.2 Endorsers/Subbrands

An endorser is usually an organizational brand that gives credibility in term of innovation, leadership and trust to the endorsee context. Subbrand's role is to help creating a brand that is different from master brand due to the product or personality context. Subbrand helps also extend the master brand into a new market segment. Examples of subbrands are Sony Walkman, Nike Force. (Aaker, Brand Portfolio Strategy, 2004) p. 43

3.6.1.3 Branded differentiator

Branded differentiator is a brand or subbrand that differentiates the brand from competitors by making it appear more superior or more functional and beneficial. It also provides a boost to the brands, especially for new and less established brands. Branded differentiators can be branded feature, branded ingredients, branded service and branded program. (Aaker, Brand Portfolio Strategy, 2004)

1) Branded features are added features that may for instance support product attribute and customer benefits and differentiate the product offering such as Branded ColorLoc Zipper for “Ziploc Sandwich Bags.

2) Branded ingredients can be integrated and built into the product and enhance the benefit/credibility, such as Gore-Tex in North Face Parkas.

3) Branded service provide customers with special benefits, such as United Red Carpet Club from United Airlines.

4) Branded program extends the brand to a branded program that linked back to its offering and brand such as Hilton Honor program and Kraft Kitchen program. (Aaker, Brand Portfolio Strategy, 2004)

3.6.1.4 Alliance brands – Co-branding

Brand alliance is a partnership of brands from different companies that combine strategically or tactically in a brand-building program, and creates a co-brand effort. One of the co-brand alliances can be ingredient brand or an endorser, such as Healthy Choice cereal from Kellogg’s. It can also be co-master brands such as in the case of the credit cards combing master brands; Citibank, American Airlines and Visa. Besides, the value of co-branding is gained from capturing two
or more sources of brand equity and further enhancing the associations of both brands. (Aaker, Brand Portfolio Strategy, 2004)

3.6.1.5 Corporate Brands

A corporate brand is a brand that reflects an organization and represents its values, culture, people and heritage. It also includes other branded elements outside the organization such as branded sponsorship, symbols, endorsers and country of origin. (Aaker, Brand Portfolio Strategy, 2004) p. 16

3.6.1.6 Branded Energizer

A branded energizer associates, enhances and energizer a master brand/target brand through branded product, promotion, sponsorship, symbol, program, etc. While branded differentiator enhances the offering by making it appear superior, a branded energizer can live outside and beyond the product itself. The management can be done by a company or other companies. For instance Budweiser's branded energizer included the “Whatssup!” commercial and the Miss Budweiser racing team. The Mercedes Open Golf Tournament creates energy for Mercedes and Serena William gives a boost to Puma brand. (Aaker, Brand Portfolio Strategy, 2004)

There are eight different types of branded energizers (Aaker, Brand Portfolio Strategy, 2004);

1) **New Branded Product.** A branded energizer can be a new product with strong subbrand that can energize master brand such as Apple iPod, Mountain Dew Red.

2) **Branded promotional activity.** Kraft’s Oscar Mayer Wienermobile is a promotional activity that gives boost to this product category. They have eight vehicles and participate at events and parties. It creates the link to the product category as well as to Oscar Mayer.
3) **Branded sponsorship.** Adidas created the Adidas Streetball challenge. The challenge is extended to Adidas Predator Challenge and Adidas Adventure Challenge as well as Red Bull Flutag and Red Bull CRASHED ICE.

4) **Memorable branded symbol.** Brand that has strong and relevant symbol such as the Michelin man can use the symbol as branded energizer. This symbol also suggests association such as safety from the strong and positive Michelin man. The strong symbols also help customers to remember the brand, such as Nike's swoosh.
5) **Branded program.** A branded program especially with CSR concern can be an effective arena such as the Avon Breast Cancer Crusade, Dove Real Beauty Campaign, Coca-Cola PlantBottle and Ronald McDonald House.

6) **Branding Uses.** The new application of product can be branded, linked to the parent brand and give boost and impact to the parent brand. The example is Angostura Bitters, which decided to launch a non-alcoholic drink and promoted it by putting an Angostura Bitters mix recipe on the neck of the bottle.
7) **Branded CEOS.** Some company has branded CEO, which create energy to the brand such as Bill Gates for Microsoft and Richard Branson for the Virgin brands. The advantage of CED as branded energizer is the knowledge of the brand and the access to media that other energizers do not have.

8) **Branding a lifestyle.** Such as AT&T’s *mLife* for mobile lifestyle campaign. The picture below shows Mercedes Benz ad campaign exploring and associating the brand with the fashion industry which enhances Mercedes as the luxury brand, adds value to the perceived design/style as well as reflect the self-image of being fashionable and trend-oriented of the owners. (Aaker, Brand Portfolio Strategy, 2004)

![Figure 23: Mercedes and fashionable life style](source)
4. Empirical frame of references

This section starts with the brief overview of the VoIP market potential. Then it presents the introduction of the VoIP company in focus, Rebtel Networks AB with a brief overview of other VoIP providers such as Skype and two MNVO providers and Lebara. This section follows with the customer survey design and result. Later the data collection on brand effort in accordance with branding in hi-tech environment strategy and brand portfolio dimension is described.

4.1 VoIP History

In early 1990s, VoIP enabled users to call to each other if they had the same software installed on their computer. The call required a computer and a headset. However, at that time, the technology was not sufficient for the demands. The early calls suffered from poor quality with frequent dropped calls or delays due to the poor Internet connections. Dial-up Internet access could not manage the speed nor sufficiently support the data transmission via VoIP applications. The call was limited to people online that had the same software installed.

VoIP (Voice-over-Internet Protocol) allow users to make a phone call between users that use the same VoIP application for free and with a fee if they make a call from this VoIP application to landline and mobile number. VoIP benefited greatly from broadband Internet, which has facilitated the development of VoIP. VoIP today is much more mature. It consists of advanced hardware processing and more advanced VoIP communication protocols. This combination contributed to a new technology – Internet telephony that provides a service which is more reliable, more consistent and much more useful than the VoIP of the past. (Goralski & Kolon)

4.1.1 The main types of VoIP and their benefits

This paper classified VoIP services into two main usage platforms, PC-to-PC and mVoIP.

• PC-to-PC VoIP

PC-PC VoIP is still the most common VoIP platform among users. The service is free. Users simply first install the VoIP application and connect a headset to their PC and register themselves to the service, after that they can make unlimited calls with other users using the same application. Besides, users can also call to landline and mobile numbers from their PCs at a cheap price. (Goralski & Kolon)

VoIP benefits users not only on price factors but also with more and better-enhanced services. Reduced long-distance costs, especially for enterprises where long-distance calls are made more often. Enterprises will save at least about 30 percent of call costs when switching from a public switched telephone network (PSTN) to VoIP. (Goralski & Kolon)
• **Mobile VoIP Service (mVoIP)**

The mVoIP market was expected to reach $36 billion in revenues by 2016. Besides at the end of this year (2011), mobile VoIP users were expected to be 70 million people. (Empson, 2011)

Mobile VoIP Users will benefit mainly from the cost factor and the portability. Users are offered lower call rate and the ability to make a call anytime, anywhere through the wireless internet connection. (VoIPWebsites, 2011)
4.2 Rebtel Networks AB

4.2.1 The Rebtel Story

“The Stockholm based Rebtel is a corporate rebel.” The idea of Rebtel derived from the aim to provide the solution for the five billion mobile users around the world to save money from international calling by changing to voice and data networks providers. (Cohan, Rebtel Poised to Upend Global Communication, 2011)

Hjalmar Winbladh and Jonas Lindroth are the talented entrepreneurs behind the world’s largest independent VoIP provider, Rebtel Networks AB. Prior to Rebtel, Winbladh and Lindroth co-founded Sendit AB in 1994, which was later, sold to Microsoft in 1999 for 128 million US dollars. (Microsoft to Acquire Sendit, 1999) After Microsoft’s acquisition of Sendit AB, Winbladh went on a sailing trip around the world where he found himself paying for pricey long-distance call and roaming charges. Winbladh knew the founders of Skype and realized how he would have saved a lot of money if he would be able to use the solution similar to Skype from his mobile phone. And thus this has inspired him to the idea of what later became Rebtel in 2006. (Cohan, Rebtel Poised to Upend Global Communication, 2011)

At the same time, Rebtel’s CEO Andreas Bernström was having an elicit career path of his own. He grew up in the UK and became a graduate of Manchester Business School and University of London. He had worked at Merrill Lynch and Goldman Sachs. In 2001 he joined and became managing Director of TradeDoubler. In 2007 he was promoted to Chief Operating Officer leading the over-600 employee company to more than 500 million dollars in revenues covering 19 global territories. In 2008 he became COO of Taptu, a UK-based mobile search engine. He then joined Rebtel in September 2009 as CEO. (Cohan, Rebtel Poised to Upend Global Communication, 2011)

Rebtel provides international calling solution which routes international calls to local numbers at cheap price. Rebtel has approximately 13 million registered users and provides service in greater than 150 countries. (Empson, 2011)

Rebtel is currently the second largest mobile VoIP Company. Now that Skype is under the Microsoft Corporation, Rebtel has become the largest independent VoIP company. Rebtel latest annual calling minutes was accounted for approximately 1,000,000,000 minutes. (Rebtel, Rebtel, 2011)

Rebtel is a fast growing organization. In 2010 it had 35 employees, 50 in 2011 and expected to have 100 employees at the end of 2012. Bernström expected the fast growing in users as well, he expected between 25-50 million Rebtel users at the end of 2012 which will account for up to 285% increase in user accounts. (Cohan, Rebtel Poised to Upend Global Communication, 2011)

Rebtel is fund by venture capitals, Index Ventures and Balderton capital. Rebtel chose to work with Index because of its reputation in Europe and with Balderton
because of its US presence and track record. (Cohan, Rebtel Poised to Upend Global Communication, 2011).

Rebtel's operation strategy is based on two pillars, *Great Quality and Low Prices*. (Rebtel)

### 4.2.2 Rebtel product offerings

Rebtel product is **international communication** whereas the product platforms come in the form of *mobile apps for iPhone, Android, BlackBerry and PC-to-PC*. The product allows users to make free call among Rebtel users and cheap international call and texting to non-Rebtel users worldwide. PCs users can also import contacts from Google contacts and Facebook to their Rebtel on PC. The majority Rebtel existing customers are first generation immigrants. Most users are male, although female users are accounted for highest minutes call. (Rebtel)

### 4.2.3 Rebtel Visual Identity

Rebtel Networks AB has Rebtel as its master brand for their international calling service. Rebtel's logo, web and mobile interface can be shown as follow.

**Logo**

Figure 24: Rebtel Logo  
Source: (VoIPWebsites)

**Slogan:** *Talk more to your loved ones*

**Web Interface**

Figure 25: Rebtel's web interface  
Source: (Rebtel, Rebtel, 2011)
Rebtel Smartphone Screenshot

Figure 26: Rebtel iPhone Screenshot
Source: (iTunePreview)

Figure 27: Android Screenshot
Source: (Androidzoom)

Figure 28: Blackberry Screenshot
Source: (Rebtel, Rebtel for BlackBerry)

Figure 29: Rebtel on PC
Source: (Rebtel, Use Rebtel on your Windows PC)

iPhone Icon

Figure 30: Rebtel’s iPhone icon
Source: (iTunePreview)

Android Icon

Figure 31: Rebtel’s Android icon
Source: (AndriodMarket)

Blackberry

Figure 32: Rebtel’s Blackberry icon
Source: (BlackBerryAppWorld)
4.2.4 Rebtel Vision and aim

Rebtel’s vision is to provide “affordable international call to the people who need it the most”. Rebtel overall brand strategy will support Rebtel’s four guiding principles of Intuitiveness, efficiency, honest and caring. The honesty and caring principles are Rebtel’s two most important competitive dimensions. These principles derived from the early year of VoIP where calling cards industry contained lots of dirty tricks. Thus Rebtel wanted to countermeasure this by offering an alternative that was honest and cared for their customers. (Rebtel)

4.2.5 Rebtel’s four guiding principles

Rebtel’s guiding principles are Efficiency, Intuitiveness, Honest and Caring. (Rebtel, Rebtel, 2011). Rebtel’s product development and marketing approaches have been choosen to support the guiding principles above which can be further described as follow.

- **Initiative Action**
  The word Rebtel came from the idea of being a rebel by bringing in an innovative solution to the telecommunication industry. Andreas Bernström, Rebtel’s CEO, stated that Rebtel’s telecom solutions that enable customers to call any number whether landline/mobile numbers at cheap price has made Rebtel a competitive and appealing alternative among international calling customers. (Virki, 2011)

- **Efficiency Approach**
  In October 2011, Rebtel launched its iPhone app, version 2.0, which offered the following new features and benefits:
  
  - *Free calls between Rebtel Users.*
  - *ToIP (Text-over-IP)* This allows users to cheaply send SMS through local numbers over Internet
  - *Contact Integration.* This feature integrates the user’s phone address book, and user can see which friends they can call with Rebtel for free. Whenever a friend in the address book installs Rebtel on their mobile, user will receive a notification.
  - A feature allowing users to choose to connect a call using 3G/Wi-Fi or local minutes.
  - *KeepTalking™*, which allows users to continue a call on a voice network, when the range of Wi-Fi or data network is degrading, at the same price rate. (Hardawar, 2011)
Rebtel CEO, Bernström said that Rebtel planned to add more features such as “group chat, voice messaging and video” to Rebtel's solutions in the near future. (Cohan, Rebtel Poised to Upend Global Communication, 2011)

Rebtel’s efficiency approaches goes hand in hand with Rebtel's vision of being the “best at providing affordable international calling to the people who need it the most”. (Rebtel, Rebtel, 2011)

•  **Honest & Caring Action**
Rebtel’s initial business idea was to provide consumers with an honest and open telecommunication service, which enabled people to connect with their beloved contacts in an easier and cheaper manner. (Rebtel, Rebtel, 2011)

### 4.2.6 Rebtel Brand Strategies

Rebtel’s current brand strategies can be described as follow:

#### 4.2.6.1 MasterBrand
Rebtel has a master brand which is Rebtel.

#### 4.2.6.2 Endorsers
Rebtel is already a big name in VoIP telecommunication industry. All relevant medias both in Sweden such as DagensIndustri, DagensNyheter, International Data Group, E24 as well as internationally such as Reuters, Wall Street Journal, The Guardian Apps Blog, Forbes, and the New York Time have already written about Rebtel.

Rebtel was presented at the GigaOM Mobile Conference held by Giga Omni Media, Inc., the company behind GigaOM.com which provides readers with analysis and reviews on startups, new technologies, broadband and online
games. Rebtel’s CEO, Andreas Bernström shared his insight in the VoIP business by presenting the potential of mobile international consumer calling which accounted for 400 billion minutes. Bernström also talked about how Rebtel would capture and deliver the product promise by offering “good quality, low cost, transparency, simplicity and flexibility”. (Rebtel, Rebtel at GigaOM Mobilize Conference, 2010)

In October 2011, The New York Times recently published an article about Rebtel’s iPhone app version 2 and its new features. (Hardawar, 2011). At the same period, The Guardian Apps Blog recommended Rebtel Apps as of the apps that smartphone users must have. (theGuardian, 2011) Besides, several media has already named Rebtel as Skype’s strongest competitor. (Empson, 2011)

Rebtel has achieved as winners of;
- "Best Utility App” at “Mobilgalan 2010” (for Android)
- Red Herring 100 Europe
- Best New The 2007 International Business Awards, Best New Company”

And being Finalists of the following awards;
- “Best Mobile Startup Category” at “TechCrunch, the European Startup Awards 2010”
- "Utilities & Productivity Category (for Android)” at “Mobile Premier Awards”
- “Best Mobile Application Category” at “The Telecoms Awards” (for Android)
- "Best Mobile Consumer Service” at “Cut The Wire Awards 2007”

Besides, in November 2011, Rebtel received the innovation prize from Veckans Affärer and ÅF for Rebtel product which provided comfort and better price for international calling customers. (VeckansAffärer, 2011)

4.2.6.3 Branded differentiators
Recently Rebtel has integrated the branded feature, KeepTalking™ which added even more value to the free mobile app, at the same time as differentiated Rebtel product from competitors.

4.2.6.4 Brand Alliances
Rebtel Brand alliances approshes can be described as follow.

- **Local market partner: XCom Global**
  Xcom Global, a provider of wireless Internet access rental service for international traveler, announced in December 2011 its partnership with Rebtel. Xcom Global will offer Rebtel voucher for their customers. The Rebtel voucher contains a code to Rebtel’s mobile VoIP app which will allow user the first 133-minutes of free calls from anywhere in the world to anywhere in the United States. (XcomGlobal, 2011)
• **Affiliate partners: Mecenat and Studentkort**

Mecenat provides best deals for students in high school and university level in Sweden. Mecenat is a partner with companies such as Swedbank, Apple, Microsoft as well as Rebtel (Mecenat, 2012). Here under the Computer and Telephone category, Rebtel offers free 15 minute-call from Sweden to anywhere in the world as well as special rate for users registered to Rebtel through Mecenat. (Rebtel, Exklusivt erbjudande för dig som student, 2012) Rebtel has similar affiliate program with Studentkort issued for students in Swedish institutes.

![Figure 35: Rebtel’s as one of Mecenat’s partners](Mecenat, 2012).

4.2.6.5 **Corporate Brand**

Rebtel merges the corporate principles of intuitiveness, efficiency, honest and caring with brand images and strategies.

4.2.6.6 **Branded Energizers**

**Sponsorship of the 2011 Miss Africa Pageant.** The Miss Africa Pageant was held at the Hilton Hotel Ballroom in Silver Spring, Maryland. Rebtel viewed this Pageant as an opportunity in supporting their users in the fun and creative ways thus Rebtel agreed to sponsor this event. (Rebtel, Rebtel Proud Sponsor Of The 2011 Miss Africa Pageant, 2011)

![Figure 36: Rebtel’s sponsorship with Miss Africa Pageant 2011](Njeuma, 2011)
4.2.7 Rebtel Brand identity and brand equity perspectives

This section is the summary of the interview on the topic Rebtel’s brand identity and brand equity with Peter Bäckström, Rebtel’s Head of Online Marketing. Peter holds the MSc. in Marketing and Business Law from Lund University. He has worked with online marketing since 2000. In 2005 he started working at TradeDoubler, affiliate marketing with reselling network, helping large advertiser to sell their products. In 2010 he started at Rebtel as Head of Online Marketing with responsible for customer acquisition and as Head of Sales at online channels with the goals to establish the awareness of Rebtel brand on online channels as well as generate registered-users. He is responsible for both marketing and sales functions.

4.2.7.1 Rebtel Contingency Business strategy

Rebtel started off as product leader as at the time of its start-up, as Rebtel provided never-before VoIP product which could be used from any phone to any phone though local access number and not just among PC-to-PC users. Rebtel recently shifted the strategy to fast follower in term of extending the calling solution such as smart phone app and PC-to-PC. Now when all these solutions are established, Rebtel considers itself to be at its maturity stage and now move once again towards to Operational Excellency by focusing on fine-tuning the product/service offerings on each calling channel. This means that Rebtel still focus on international communications but improving the current solution by adding new features such as IP-messaging and SMS.

4.2.7.2 Rebtel strength and weakness

Rebtel strength lies in the good combination of quality and price. There are cheaper provider but they are not as reliable as Rebtel. Rebtel weakness lies in its low effort in brand awareness. Rebtel can achieve this by creating campaigns to stimulate word-of-mouth of the Quality and Low price value of Rebtel. Although Rebtel has a better price than the industry leader such as Skype but people rather use Skype because they know and have acquired Skype and consider Skype service as cheap enough. Moreover, Rebtel should continue to develop the quality of Rebtel applications to be for instance easy to share to facilitate the process when consumers decide to download Rebtel products.

4.2.7.3 Rebtel’s desired brand image and brand differentiation

Rebtel’s competitors focus mostly on prices. However, Rebtel has not felt the need in following competitors in this pricing strategy but rather focus on customer values by offering customer service such as money back policy and bonus policy (i.e. customers can get calling credit for referring new registered). More bonus programs for generating customer such as this are being under future focus.
Rebtel’s important competitors segmented by means of calling can be listed as follow:

<table>
<thead>
<tr>
<th>MVNO</th>
<th>VoIP with PC-to-PC and mVoIP</th>
<th>PC-to-PC</th>
<th>mVoIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lebara</td>
<td>Skype</td>
<td>Skype</td>
<td>Viber</td>
</tr>
<tr>
<td>Lycamobile</td>
<td>JAIAH</td>
<td>GoogleTalk</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Localphone</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vopium</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1: Rebtel’s competitors by calling solutions

4.2.7.4 Brand Equity

The different elements within the brand equity are described as follow.

4.2.7.4.1 Brand loyalty

According to Bäckström, Rebtel’s clients are very satisfied with the products. Customers to telecom service in general have low satisfaction rates. However, for Rebtel customers the satisfaction rate is high. The times where satisfaction rate fluctuated were when Rebtel had to rise the rate to certain countries or when Rebtel did major changes to the service such as the launch of Version 2 of the iPhone application. The effort required customers to log in or reload the app once again.

Rebtel has already implemented loyalty programs such as telefriend program where customers receive incentives when they recommend the service to new register users. Further programs for simulating such approach are under focus.

Rebtel users does not show the sign of dropping off but rather continue to use the service at least in the period of 1 to 2 years. After that it could occur that customers moved back to their countries of origin or moved closer to their international contacts that they no longer required long-distance call.

Although by policy, Rebtel user cannot withdraw the account once registered, this does not seen as big switching cost.

4.2.7.4.2 Brand awareness

In certain key segments Rebtel is well-recognized. However to the large majority, Rebtel is completely unknown. Rebtel has not yet many programs to improve awareness as PR is consider being costly and the expected return of investment has to be followed up thoroughly. Rebtel thus focus on proving to existing
customers and potential customers that Rebtel is a serious and professional provider through its quality and low price.

4.2.7.4.3 Perceived Quality

Rebtel’s customers are satisfied with the products and the perceived quality is high. Rebtel takes a lot of pride in making and providing an efficient system that work well for Rebtel customers. Rebtel is an engineering-oriented company where the focus is on technology. Rebtel wants to build quality and become the preferred brand due to this user interface approach.

4.2.7.4.4 Brand associations

Rebtel has not investigated this area much. However, association should be linked to the Rebtel message of honest and caring.

Industry leaders, Affiliate Partners
At the moment Rebtel sponsored more business events than consumer events such as SIMA, mobilize in San Francisco and other corporate events. This is due to the fact that Rebtel is a start-up company and still needs to attract potential investors or credibility and funding.

Creative sponsorship
For customer-oriented event, Rebtel sponsored Miss Africa pageant 2011 in the US as the majority of revenue came from this community. Besides, Rebtel also has a reseller agreement with Mecenat and Studentkort student discount cards.

Car brand personality
If Rebtel were a car, Rebtel would be a SKODA because Rebtel is a cheap alternative to other telecom providers but Rebtel also takes pride of its quality and its talented founders and investors in the same way as SKODA is well-built and designed by mother company, Volkswagen.

Desired Co-branding.
Rebtel would be interested in partnership with any partners that relates and enhances the immigrant community in each market. A considerable global partner would be Money Transfer service provider such as Western Union. The future partnership will allow Rebtel to add and complement Western Union solutions to their customers.

4.2.7.5 Brand Identity

The different elements within the brand identity are described as follow.

4.2.7.5.1 Brand as product
Rebtel provides the benefits of VoIP calling for good quality and price.
4.2.7.5.2 Brand as organization
Rebtel has not exploited this area much. Rebtel’s core values have not much been communicated externally to consumers, rather towards thought leaders in the technical communities and the drivers within mVoIP business.

4.2.7.5.3 Brand as person
Rebtel’s core principles and identities are intuitiveness, efficiency, honesty and caring. The potential extended identity would be friendly. Competence is the word among the BPS personality that fit the most to Rebtel’s personality. As it represents Rebtel’s engineering aspect and back-end technology. Another potential personality to explore is Exciting considering the new features in the newest mobile app version.

Most customers did not create closed attachment with the product. At the same as there are customers that extremely like Rebtel service and interact a lot with Rebtel customer activities especially major users in the US.

4.2.7.5.4 Brand as symbol
Rebtel’s heart logo represents the caring part. The blue and boxy shape represents Rebtel as the technology company.

Rebtel prominent legacy would be the technology root where Rebtel innovatively built a new VoIP solution. Promoting the legacy of Sweden will have both advantage and disadvantage, as Rebtel would rather be seen as local company for each migrant to mirrors themselves with Rebtel. Rebtel as Swedish company may diffuse such thought. Thus, at the moment, Rebtel would rather be perceived as local company through the being global, act local approach, rather than being seen as Swedish company everywhere.

In general, the VoIP industry does not care much about the design. Or if they do, all logos and image would be designed to look cheap to conform to the cheap call concept such as the webpage of Lycamobile. By doing exactly as competitors will give Rebtel a conflict of by being cheap and being responsible. Rebtel would rather be perceived as cheap call provider that also provides users with nice user experience. Although, “nice” user experience can be a subjective matter for instance, some countries/cultures may perceive the Scandinavian design concept as being dull.

4.2.7.6 Rebtel Brand portfolio strategies
The different elements within the Brand portfolio strategies are described as follow.

4.2.7.6.1 Brand Portfolio
Masterbrand. Rebtel focuses on one brand strategy, no subbrand or any type of brand leverage by far. As in global market, having subbrand right now will create issues of updating Brand names to different markets as well as protection issue.
Rebtel works with PR team and PR agency in the US for the US market. However, as part of being start-ups, the main publicity focus is on the business sector and investors. While the consumer-oriented approach which is not yet covered by PR functions is carried together with the Online Marketing function in Stockholm office. However, the primary focus is thus on acquiring new register users rather than solely publicity. Approximately 50% of the marketing budget is put on search engine; the others are distributed to reselling network (commission to affiliate partners that market Rebtel products), free promotional or bonus minutes and banner advertisement.

Rebtel being a global company needs to focus on promoting Rebtel in each local market. Being global player and act local. Customer in each country has different calling behavior and they prefer different solutions. Rebtel has reseller partners in different market such as in XCom Global in Japan which added Rebtel product to their clients.

Communication-wise, Rebtel wants to send the message of being friendly and honest. This is done not much on the website but rather the interaction with customers through all points of customer contacts especially Twitter and Facebook. Besides, Rebtel send out monthly newsletter and provide monthly account updates to customers. Rebtel users mainly come to the website when they need to add the calling deposit. Rebtel send out survey from time-to-time to customers. The website also provides customer support. Customers can also write feedback at the website.

Besides, Rebtel communication is consistent throughout the online and offline channels. Rebtel has an aim to make the website more localized by changing the content of the front person to be of the main users of each market. At banner ad, Rebtel would slightly adapt the content/design to suit the partner site
4.2.8 Competitors analysis

Rebtel's competitor analysis in this thesis includes Skype, JAJAH, Viper, Localphone, and Lycamobile. They can be further divided in the following solution segmentations:

- Calling cards
- MVNO: Lebara, Lycomobile
- Similar service: Skype, Vopium, JAJAH, Localphone
- PC-PC: Google Talk
- Calling app: Viber

The international calling companies which were analyzed in this thesis include VoIP companies such as Skype, GoogleTalk, JAJAH, Vopium, Viber, Localphone, Viper and two MVNO companies; Lebara and Lycomobile. The portrait of each brand is focus on the brand story, the service offering and the brand strategy exploited and is described as follow.

4.2.8.1 Skype

Web interface

![Figure 37: Skype's web interface](source: (Skype, Skype))

4.2.8.1.1 The Skype Story

Skype is today's global symbol for VoIP business. Within 2 years since its launch, Skype acquired from zero to 50 million users. It became known mostly through viral marketing. (Hammar, 2007)

In 1998, Niklas Zennström came up with the idea about Skype and presented it to the management of his then workplace, Tele2. Without enough attention from Tele2, Niklas Zennström and Janus Friis later found their common interest in the idea, which later became Skype. However, they did not start with Skype right
away but invested in peer-to-peer file sharing technology through Kazaa in 2001. Experience with Kazaa had added credibility among investors and consumers for Niklas Zennström and Janus Friis. The product was supposed to be named Skyper as in “Sky peer-to-peer” but since skyper.com was already taken, it was changed to Skype. The first version of Skype was launched on Friday 29 August 2003. In the early years of Skype, the Kazaa experience was used in PR work to promote Skype as the product from “the people who brought you Kazaa”. This story was a part of the early story of Skype. (Hammar, 2007)

Skype used a business model, which, at that time, was different from other companies. They offered their product for free with a cost only for add-on products, which meant it was quickly adopted by users. Skype still benefits today from its large number of users in terms of returns and customer lock-in. (Hammar, 2007)

On 12 September 2006, eBay purchased Skype for USD 2.6 billion in cash and stock, including USD 1.5 billion in a performance-based earn-out. At that time Skype had around 54 million registered users. (Hammar, 2007)

### 4.2.8.1.2 Skype product and packages

![Skype product packages](Figure 38: Skype product packages)

Source: (Skype, Skype Prices)

Skype’s products include:

- **Free** includes free services that Skype offers such as “Skype-to-Skype calls, One-to-one video calls, instant messaging and screen sharing”.
- **Pay As You Go** is prepaid credit for making a call to normal phones and mobiles, or sending SMS and Call forwarding
- **Subscriptions** is a low rate subscription (3 or 12 months) for frequent international calling
- **Skype Premium** is a package (day pass or monthly subscription) for group video calls of three or more people. (Skype, Skype Prices)

**Client’s categories**

Skype offer solution for “Consumers, Home office, Small business, Medium-sized business and Enterprise”. (Skype, Skype)
4.2.8.1.3 Skype Brand Portfolio Strategies

Word-of-mouth and peer-to-peer affect
Skype was created to be a mass-market product by offering the same basic features. The only localization investment was to translate website and software descriptions to local languages. The product offered global calling benefits at low costs. The growth of Skype was derived from user word-of-mouth and the effects of peer-to-peer networks. Users accessed even more benefits if their contacts also use the same product. In the early days, Skype’s website was plain without any technical or complex words. The information was mainly about benefits and download instructions. The original tagline was “Free Internet Telephony that Just Works.” (Hammar, 2007)

There was no major PR activity around the launch. The team sent the download links to friends and bloggers. However, this was enough to create interest around the product. The New York Times was one of the many newspapers that wrote about Skype. Kat James, head of PR of Skype described how the early strategy was to firstly attract business, investor and technology media and consumer press such as lifestyle and trendsetting. In February 2004, Skype was on the cover of Fortune Magazine. The BBC broadcasted a program about VoIP and Skype. (Hammar, 2007)

Local market partnership
As a startup with limited marketing and localization resources, Skype created partnerships with local companies in foreign markets such as Japan, China, Poland, Spain and Turkey. In 2004 in Taiwan, Skype partnered with PCHom, an Internet Portal company that helped by navigating some of their users to Skype. Skype has a similar partnership with TOM Online in Mainland China. Skype’s marketing partners have included “Logitech, Bebo, Salesforce.com, Radio Shack, El Corte Ingles, Philips, Panasonic and Aftonbladet.” (Hammar, 2007)

- Co-Brand as branded differentiator with branded feature
Skype created partnerships with hardware partners by having the “Skype Certified” mark on partners’ PCs. For Skype the purpose was brand awareness and for partners it was for accelerating sales and offering additional value to consumers. PC buyers also got a SkypeOut package (cheap call to ordinary phone) with the purchase. (Hammar, 2007)
4.2.8.2 Google Talk

Web interface

Google

Check out the following ways to chat on the web and on your desktop:

- Chat within Gmail, iGoogle, and orkut
- All on the web
- PC and Mac

Learn more »

Google Talk software

- Chat from your desktop
- Send and receive files
- PC only

Learn more »

Install video chat plug-in

Download Google Talk

Figure 39: Google Web interface
Source: (Google, GoogleTalk)

4.2.8.2.1 The GoogleTalk Story

The story of GoogleTalk dates back to 2005 when Google had the idea of developing a communications tool. It was partly Google’s attempt to enter the communication world and compete with communication services with then America Online, Yahoo and Microsoft’s MSN. (Markoff, 2005)

Google’s mission is “to make the world's information universally accessible and useful.” GoogleTalk, in the same manner, reflects Google’s belief that communications should be accessible for all as well as being useful. GoogleTalk provides users with instant communication via voice calls and instant messaging. (Google)

4.2.8.2.2 GoogleTalk Product

Google Talk is an instant messaging and PC-to-PC VoIP. Apart from being able to send instant messages, users can also send large files of unlimited sizes. They can also make VoIP calls through PC-to-PC. (ScienceChannel)
4.2.8.3 JAJAH

Web interface

Figure 40: JAJAH web interface
Source: (JAJAH, JAJAH)

4.2.8.3.1 The JAJAH Story

Austrian entrepreneurs Roman Scharf and Daniel Mattes founded JAJAH in 2005. They had the vision of no-barrier global communication in terms of rates, location or functionality. JAJAH believes in merging the best that the Internet and the traditional telephone industry can offer. This results in improved telephony solutions at low cost.

The JAJAH board of directors includes Yair Goldfinger which was the ICQ Instant Messaging entrepreneur as well as Haim Sadger whoworks at Sequoia Capital and Venky Ganesan from Globespan Capital. (Reuter, 2009)

JAJAH has about 25 million clients worldwide. JAJAH’s headquarters are located in Silicon Valley, California and in Tel Aviv, Israel. (JAJAHPress, 2006)

4.2.8.3.2 JAJAH product and packages

JAJAH provides users an innovative and simple way to make a free or low cost phone call in the follow product packages:

- **JAJAH. Direct**: make global phone-to-phone call through local numbers
- **JAJAH. Web**: Make a call from PC
- **JAJAH. Mobile Web**: Make a call from web-enabled mobile by dialing a local JAJAH direct number
• **JAJAH@Call**: Make free phone calls on Twitter  
• **JAJAH Business**: serves business clients with international calling solutions. (JAJAH)

![JAJAH products](image)

Figure 41: JAJAH products  
Source: (JAJAH, JAJAH Products)

**4.2.8.3.3 JAJAH Brand Portfolio Strategies**

- **Brand Alliances**
  
  JAJAH formed a partnership with *Globe Telecom*, a Philippine based provider of mobile, fixed line and broadband Internet services. Through the partnership, Globe Telecom and JAJAH will be able to deliver affordable VoIP services with a main focus on Filipinos living abroad. Through JAJAH, which deliver services in over 200 countries, Globe Telecom will reach to about 10 million Filipinos living outside Philippines through JAJAH’s global platform. (Dawson, 2011)

  Moreover, JAJAH was recently acquired by *Telefónica Europe*. This acquisition will enable JAJAH to build new service on JAJAH’s IP communications platform which will also enable operators and Internet companies to benefit from these calling services. (Dawson, 2011)

  Through its parent company, Telefónica Europe, a JAJAH employee is selected to participate in a 2-week annual volunteer program, Fundación Telefónica’s Proniño Program, which has an aim to prevent child labor in Latin America. Last year (2011), a JAJAH employee participated in volunteer project in Guatemala. (JAJAHBlog, 2011)
4.2.8.4 Localphone

Web Interface

Figure 42: Localphone web interface
Source: (Localphone)

4.2.8.4.1 The Localphone Story

A British entrepreneur, Paul Cusack, established Localphone Ltd. He came up with the business idea of providing a cheap international call service, during the period when he was travelling extensively for his previous job, Ebuyer (UK) Limited. He began to research for solutions where he could reduce his call costs and found the technology of VoIP. Paul carried out months of detailed research and, together with the programming team; he came up with Localphone. Localphone aims to provide customers with low cost calls from any place in the world at a cheaper price than making calls through local operators. Localphone goal is to be honest, transparent and reliable to its customers. (Localphone)

4.2.8.4.2 Localphone Product

Localphone’s product includes Localphone Direct Dial, Localphone Calling Card, Localphone VoIP, Localphone SMS and Localphone Incoming DID Numbers. (Localphone)

4.2.8.4.3 Localphone Brand Portfolio Strategies

- **Endorser**
  
  As a part of the telecommunication industry, Localphone joined the ITSPA with the aim of creating and maintaining the industry’s Code of Best Practice. The membership of ITSPA will assure Localphone customers of Localphone’s aim to deliver a high quality, customer-focused service as well as to maintain responsible relationships with partners as well as competitors in the industry.
• **Brand alliance**
  With the aim of reducing its effect on the environment, Localphone has chosen to store its server in a carbon-neutral facility, *EvoSwitch*, in Amsterdam. This is to emphasize its concerns on green issues.

4.2.8.5 **Vopium**

**Web interface**

Figure 43: Vopium web interface  
Source: [vopium, vopium](vopium, vopium)

4.2.8.5.1 **The Vopium Story**

Pakistani entrepreneurs Tanveer Sharif and Imran Sadiq and Brian Sussemiehl established Vopium in Copenhagen in 2006. Vopium later launched its service in Denmark in 2007. Vopium has offices in London, Copenhagen, Luxemburg and Pakistan and employs about 100 people. Vopium is listed on the NYSE Euronext Paris Exchange. ([Vopium, 2012](vopium, vopium))

Vopium first aimed at providing services to immigrants who use international call to stay in touch with family and friends in distant countries. Now the target group has been expanded to anyone who wants to make international phone calls over VoIP. Vopium's mobile app has been downloaded 1 million times and the largest markets are as of today, Scandinavia, the UK and Australia. ([Wauters, VoIP company Vopium raises $16.5 million in bid to challenge Skype, 2010](Wauters, Vopium raises))

Vopium's mission is about taking advantage of the convenience and freedom of having a mobile phone. Through their mobile phones, customers can keep in
touch with their contacts that matter to them around the world at lower cost. Through Vopium on mobiles, the calling service is available to customers anywhere, anytime at a low price and with the sound quality of a local call. (Vopium, 2012)

4.2.8.5.2 Vopium Product and packages

Pay as you go is when a customer purchases pre-paid call credits.

![Call Unlimited Product](image)

Figure 44: Vopium’s Call unlimited product
Source: (vopium, ALL YOU CAN TALK! only SEK 91.15/month!)

*Call Unlimited* (2000 minutes per month) is a program at a fixed monthly cost for calling to any landline in 51 countries and mobile phones in selected countries. *SMS* is a package for 100 SMS or 200 SMS/month to anywhere around the world. *Europe Unlimited* is a package for calling from a mobile to any mobile and landline in 31 European countries. *Best country deals* is a low cost monthly package for selected countries such as India, Pakistan and Bangladesh. (Vopium, 2012)

**B2B Solutions**
Moreover, Vopium also provides solution for business clients. Companies such as Junkers integrate Vopium’s B2B solution with their company’s switchboard for lower cost of international calling

4.2.8.5.3 Vopium Brand Portfolio Strategies

- **Brand Alliance**
  - **White Label Partner Solution**
  Vopium provides a domestic and international mobile calling solution similar to Vopium for companies such as TEL4LESS which enables TEL4LESS to provide calling service under its own brand.

  - **Reseller Program**
  Vopium allows reseller partners to be able to provide mobile communication services to their customers. The reseller partners link from their website to Vopium sign up”. A website that has this program with Vopium is, for example, Netlog.
4.2.8.6 Viber

Web interface

Figure 45: Viber's web interface
Source: (Viber)

4.2.8.6.1 The Viber Story and its Product

Viber is a free smartphone application available for iPhone, Android and Blackberry. Viber users can call another Viber user anywhere in the world for free. Viber was launched by Viber Media, an Israeli startup, on 10 March 2011. At the time when this article was published on 31 March 2011, Viber had already been downloaded over 100 million times. (Wauters, Skype Challenger Releases Viber 2.0: Free Text Messages And More, 2011)

Viber announced that it had received over 30 million registered users, where roughly 18 million were active users on a monthly basis. (Wauters, Viber Adds Photo, Location Sharing Abilities To Its Android, iPhone Apps, 2011)
4.2.8.7 Lebara

Web interface

Figure 46: Lebara’s web interface
Source: (Lebara, Lebara)

4.2.8.7.1 The Lebara Story

Leon R. Ranjith, Baskaran Kandiah and Ratheesan Yoganathan founded the Lebara Group in 2001 with a vision to provide services that would enable migrant communities to keep in touch with family and friends at their home country. The three partners was inspired by the Telenor building at Kostad, outside Bergen on their business trip and had decided to establish a company that would stand for different communities and a company that would withstand. Lebara comes from the first two letters of each founder’s name, Leon, Baskaran and Ratheesan. Lebara has now been operating for about 10 years and has 3 million users, the service is offered in seven European countries and Australia, with 1400 employees worldwide and the revenues of €565 million as of 2010. (Lebara, Lebara)

In March 2011 Lebara received and maintained the position as UK’s leading Mobile Virtual Network Operator (MVNO) by being granted the awards for “Best Mobile Virtual Network Operator” and “Best Customer Service”. Moreover, Lebara’s CEO Yoganathan Ratheesan received the Asian Business Young Entrepreneur of the Year Award in the same year. (Lebaramobile, Lebara partners with the Carphone Warehouse, 2011)
Ambition and Vision
Lebara has the ambition of becoming the “brand of choice of 1 billion people by 2020”. The company’s vision is to “enhance the lives of migrant communities around the world by offering the products and services that they need together with delivering excellent customer service”. (Lebara, Lebara)

4.2.8.7.2 Lebara product and packages

<table>
<thead>
<tr>
<th>Pay As You Go</th>
<th>Pay Monthly</th>
<th>Handsets</th>
<th>Mobile Internet</th>
<th>Money</th>
</tr>
</thead>
</table>

Figure 48: Lebara’s product
Source: (Lebara, Lebara Products)

**Pay-As-You-Go.** A prepaid calling option where customers top-up on Lebara cards prior to calling

**Pay Monthly.** A monthly payment plan is a package with a minimum of 3 months, where the payment is made each month directly from customer’s bank accounts.

**Handsets.** A package of handsets and SIM cards with 10 euros free-credit included for UK customers. Customers can integrate the Pay-As-You-Go or Pay Monthly payment plan.

**Mobile Internet.** This is Lebara’s mobile portal for UK customers only, where customers can purchase music, pictures and games.

**Money.** The *Lebara Prepaid MasterCard®* enables customers to make money transfers between cardholders.
4.2.8.7.3 Lebara Brand Strategies

- **Endorsers and Subbrands.**
  
  - **Endorsement.** The figure below show Lebara’s awarding through the years from 2006.

  ![Figure 49: Lebara’s award received through years](image)
  
  Source: (Lebara)

  - **LebaraMoney subbrand and the partnership with MasterCard**

    ![Figure 50: LebaraMoney subbrand and product](image)
    
    Source: (LebaraMoney, LebaraMoney)

  Lebara money, through the partnership with MasterCard and Newcastle Building Society, launched the *Lebara Prepaid MasterCard®* for the UK’s migrant communities. It is the *subbrand’s* first product for UK migrant communities. The reason behind this is due to the attractiveness of the global remittance business where the UK was among the top 10 remittance-originating countries with about 2.4 billion pounds in transferring.
The Lebara Prepaid MasterCard offers a card-to-card sending and withdrawals service. The money can first be transferred to the UK based MasterCard (sending), the money will then be available on the beneficiary’s card (withdrawing) enabling them to withdraw cash from any local ATM machines that accepts MasterCard. (LebaraMoney, 2011)

- **Brand differentiators**
  
  - **Nokia as branded ingredients**

  ![Lebara handset by Nokia](image)

  Figure 51: Lebara handset by Nokia
  
  Source: (Lebara, Lebara Handsets)

  This was the first time a partnership between a migrant MVNO and a handset manufacturer was created. Lebara will provide Nokia handsets (1616, 100, C1-01, C3-00 and 500 models) to their customers on the **Handset package**. The Nokia handsets will be available through a range of national retail chains in all of Lebara’s operating countries such as Tesco stores and Carphone Warehouse in the UK and El Cortes Ingles in Spain. The telephone device will include Lebara software, which processes a network lock-access to Lebara services. It will also include Lebara’s own branding and special “Lebara Tune” ring tune by AR Rahman. (Lebara Mobile, Lebara announces Global Alliance with Nokia, 2011)

- **Brand Alliances**

  - **Retail distribution partner: The Carphone Warehouse**

  Lebara Mobile announced its partnership with The Carphone Warehouse which was the UK’s largest independent mobile phone retailer with over 800 stores across the nation. Customers can purchase Lebara’s Pay-As-You-Go SIM at The Carphone Warehouse and also top-up their calling credits. Partnership with The Carphone Warehouse helps extend Lebara’s retail distribution. (Lebara Mobile, Lebara partners with the Carphone Warehouse, 2011)
Local partner: Globe Telecom
The partnership with Globe Telecom, a telecommunications provider in the Philippines, allows Lebara to be able to provide customers with better value calls to the Philippines from 8 countries within Lebara’s operation, the UK, Spain, Germany, France, Switzerland, Denmark, Netherlands and Australia. According to Andrew Monnery, Lebara’s Chief Strategy Officer, Lebara’s customers often make calls to one specific international destination, most commonly; where they have connections to family, friends or businesses. Thus, partnering with mobile operators in the countries where a large volume of calling hours is placed will allow Lebara to be able to offer better value to their customers. Globe Telecom will also gain advantages from Lebara’s distribution and penetration in the migrant communities. The Filipino community is one of Lebara’s most important customer groups in all countries of operation due to the Filipino’s habit of maintaining strong ties with family and friends. (Lebara Mobile, Lebara partners with Globe Telecom to offer better value calls to the Philippines, 2011)

- Branded energizers
  - Brand Sponsorships

![Figure 52](image1.png)  ![Figure 53](image2.png)

- Cricket. Lebara sponsored the Test Match Cricket Grounds in England and Wales in 2011. Lebara also has English cricketer Ian Bell as their brand ambassador. Asian Awards. Lebara was the main sponsor of the 2011 Asian Awards which awards tributes to role models in business, sport, entertainment, philanthropy and popular arts and culture. Lebara also award the Lebara People's choice award in which the nominees can come from all above fields.
• **MOBO Awards (Music of Black Origin Awards).** Lebara has sponsored the MOBO Awards for three years in a row. Lebara also sponsors for the first time, the **Best Newcomer Act** which is voted by fans on Facebook.

• **United Nations High Commissioner for Refugees (UNHCR) and the International Federation of Red Cross and Red Crescent Societies (IFRC)**
  In conjunction with its 10-year anniversary, Lebara donated one per cent from customer top-ups to the United Nations High Commissioner for Refugees (UNHCR) and the International Federation of Red Cross and Red Crescent Societies (IFRC). Apart from this, as part of its 10-year anniversary charity campaign, Lebara raised 1 million euros which they would use to educate 100,000 children in 10 counties, namely Colombia, Ghana, India, Morocco, Nigeria, Pakistan, Philippines, Poland, Romania and Turkey. On this occasion, Lebara would also pledge 10 million euros to the Lebara foundation for housing, schooling and sustainable communities for displaced children. (Lebara, Lebara donates 1 million euros to educate 100,000 children in 10 countries around the world, 2011)

  - **The Lebara Foundation (a branded program)**
    The Lebara foundation is a non-profit, philanthropic organization contributed by the LEBARA group. The foundation’s mission is to improve the quality of life for children by providing shelter/housing, food and clean water. At the moment, the foundation has projects in India, Pakistan and Sri Lanka as well as projects in partnership with the United Nations in Asia, South America and Africa. (Lebara, Lebara donates 1 million euros to educate 100,000 children in 10 countries around the world, 2011)

![Figure 54: Lebara foundation](LebaraFoundation)
4.2.8.8 Lycamobile

Web interface

Figure 55: Lycamobile web interface
Source: (Lycamobile, Lycamobile)

4.2.8.8.1 The Lycamobile Story
Lycamobile came to the market in 2006 and has now more than 6 million users in the UK, Netherlands, Switzerland, Belgium, Norway, Sweden, Denmark and Italy. Lycamobile’s vision is to be a “world-class mobile telecommunications organization” where the cost is driven down and the superior value proposition is offered. Lycamobile has generated over 3 billion minutes per year. Lycamobile prepaid vouchers can be found in over 300,000 sales points including “Tesco, Albert Heijn, Carrefour, Coop, The Post Office, Barclays ATM”, etc.

4.2.8.8.2 Lycamobile Product
Lycamobile offers the Pay-As-You-Go International SIM card.
4.2.8.8.3 Lycamobile Brand Strategies

- Subbrand. The LycaMoney Prepaid MasterCard®

Figure 56: LycaMoney
*Source:* (Lycamoney, Lycamoney)

The *LycaMoney Transfer* product allows customers to send money from a Lycamobile Card account to receivers’ joint LycaMoney cards which can be withdrawn at local partners (Green Card) such as Globe Telecom in the Philippines and Wafacash in Morocco or at any ATM that receive MasterCard (Silver card). (Lycamoney)

Figure 57: LycaMoney green and silver cards
*Source:* (Lycamoney, Lycamoney FAQ)

- Branded Energizers
  - Branded Promotional Activities/Sponsorship
    - 3rd Brazilian film festival with BAFTA. Lycamobile sponsored the 4-day Brazilian film festival in London. The audiences were both locals and *Brazilians* living abroad and London tourists.
Diwali\(^1\) in Federation Square, Melbourne.
Lycamobile sponsored the Diwali festival in Melbourne to strengthen the bond with *Indian communities* in Australia.

Miss Arab beauty contest and reality show.
Lycamobile sponsored the Miss Arab London 2011 Beauty Pageant, which was also broadcast on Al Alamia TV in October 2011. This sponsorship gave Lycamobile a chance to form a stronger tie with *Arab communities* in the UK.

Formula 2 Racing Driver. Lycamobile has made a 3-year deal with Parthiva Sureshwaren, an Indian Formula 2 racing driver.

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\(^1\) Diwali, the "festival of lights," is celebrated between mid-October and mid-December according to Hinduism.
4.3 Finding from the survey

4.3.1 Survey design and objectives

The survey has been designed to measure the brand awareness of VoIP and MNGO providers among users in Sweden. Moreover, the survey was designed to capture focus group’s international calling habits, top of mind brand and Rebtel’s brand identity and brand equity.

The survey is digital and has been distributed randomly to various Facebook pages as well as randomly sent to Rebtel users in Sweden. The list of Facebook pages where the survey was posted can be found in Appendix B while the survey questions are available in Appendix C. The survey result was derived from 257 survey responses, which represent the Swedish population (about 9.9 million) at 5.17% margin of error with confidence level of 90%.

4.3.2 Sample background

The majority of most respondents were of Swedish origin (127). The other major nationalities are Thai (18 responses), Indian (10), German (8). The responses comprise 35 nationalities ranging from Brazilian, Chinese, Dutch, Czech, Russian, Indian, Pakistani and Columbian. All respondents lived in Sweden, which was the requirement. 64% of the total responses were between 22 to 34 years of age; while 13.6% were 21 and under, 9.6% were 25 to 44 and 7.6 percent were 45 to 54.

The two major groups of the respondents were students (58.2%) and employed (39%). Most of the respondents had completed high school (20.4%), bachelor’s degree (42%) and master’s degree (26.8%), the rest had vocational education or PhD. 60.2 percent of the respondents were male and 39.8 percent were female.

4.3.3 International calling habits

Most respondents made international calls through PC (68.8%) the rest used mobile app (30%), normal operator (30.8%), calling card (6.9%) and SIM card (4.5%). These calls were placed to other users on PC (53.4%), landline and mobile numbers (53.4%) and to another user on mobile app (16.6%).

Moreover, 51.8% of respondents used different calling methods to different contacts while 48.2% used the same method. 38.1% of respondents made international call more than 10 times a month while 23.9% made international calls between 5-10 times a month, and 38.1% made international calls less than 5 times a month.

The respondents made international calls mostly to Thailand, USA, France, Sweden, Germany, England, China and India.
4.3.4 VoIP brand awareness.

Top of the mind brand was Skype, which most respondents picked at the unaided recall question. The other brands named here were Rebtel and Viber.

The respondents were asked the same question with aided-recall and the brands that they were aware of are Skype (97.1% awareness), Google Talk (53.6 %), Viber (36.8%), Rebtel (26.4%), Lycamobile (22.2%) and Lebara (11.1%). The respondents said that product they actually used were Skype (87.4%), Google Talk (18.4%), Viber (21.8%), Rebtel (17.2%), Lycamobile (1.3%) and Lebara (2.1%).

4.3.4.1 Impression from brand names, slogans and logos

Respondents were asked to take a look at the above logos, and slogans from Lebara, Google Talk, Localphone, Viber, Lycamobile, Rebtel, Vopium, JAJAH and Skype and selected the brands that gave them the impression of being cheapest, best value for money, innovative, good quality and the brand that was simply most appealing to them.

**Cheapest**
The brand that respondents perceived to be cheapest were Viber (44 responses), Skype (37), Google Talk (26), Vopium (16), JAJAH (16), Localphone (13) and Rebtel (10) respectively.

**Best value for money**
The brands that were well perceived as best value for money were Skype (74), Rebtel (24), JAJAH (16), Lycamobile (15), Localphone (13), Viber (13) and Google Talk (9) respectively.

**Innovative**
The brands that were perceived as most innovative were Skype (56), Google Talk (49), Viber (24), Vopium (20) and Rebtel (19).

**Good Quality**
The brands that were perceived to provide good quality service were Skype (94), Google Talk (22), Rebtel (17), Lebara (16), Viber (15) and Lycamobile (12).
Most appealing
The brands that respondents found most appealing were Skype (112), Google Talk (25), Rebtel (22), and Viber (10) respectively.

The respondents were asked if the brand was most appealing to them due to the brand’s logo, brand name, slogan or all of them. And most respondents made decisions based on only the name (36.4%), only the logo (36.4%), the combination of the name, logo and slogan (33%) and only the slogan (11.5%).

Out of the respondents that had previous recall of Rebtel, 46% knew Rebtel through friends, 30% from Google Search, 12% from Digital banner and 10% from print-media.

4.3.5 The three most important influential factors in choosing international call services
When asked to choose the three most important factors when selecting an international call service, respondents had placed different degree of intention on the following factors.

Figure 60: The three most important influential factors in choosing international call services
4.3.6 Most appealing search engine tagline

Respondents were asked to read each brand’s search engine tagline in order to see how the combination of brand name and advertisement tagline is critical in decision-making. The keywords used were **Best international SIM card, 94% discount, Low-Cost, local rate and Cheap International Call.** The survey results showed that the most appealing taglines were as follows.

![Which products description sounds most appealing to you?](image)

Figure 61: Most appealing search engine tagline

4.3.7 Prefer service based on solution: mobile app, PC, SIM card

In order to achieve the result of the most preferred international calling solution, i.e. through PC, mobile app or SIM cards, the respondents were asked a hypothetical question to identify the solution they would use if they would make an international call to Thailand. The most popular solutions for the respondents were PC and mobile app solution, especially with Skype, Rebtel, Viber and Localphone. Only 4.3% chose to use SIM card.

4.3.8 Price sensitivity

This question on price sensitivity was built upon the previous question to find out the most appealing solution, but this time adding price factors. The answers shifted to Localphone, which was the cheapest solution at that moment, then Skype and Rebtel.
Respondents were asked if they did not already use the call service of their choice would they acquire it, and 54.1% answered no while 45.9% said they would acquire the service.

When asked about benefit in terms of price in order to compensate the switching effort, the majority of users (33%), said they were satisfied with their existing products. While 26.3% said they would switch if the price was at least 50% less than the existing products. 23.0% would switch at 25-50% less and 13.9% at 10-25 less. 3.8% would switch if the price was within 10% less.

**4.3.9 Rebtel’s name association**

When asked what words came to their mind when they saw the Rebtel logo, respondents answered Rebel (47 responses), Cheap (18) and Love (8).

97 respondents said they knew Rebtel before through friends (47.4%), Google search (27.8%), digital banners (12.4%) and newspapers (10.3%).

**4.3.10 Picture imagination as a car brand**

Respondents were asked to give a picture imagination of the Rebtel brand if it would have been a car brand; most of the respondents chose Skoda (17), Toyota (12), Fiat (11) and Volvo (9).
4.3.11 Degree of brand identity and message
This question aimed at measuring how well Rebtel’s visual identity (logo) had sent the messages about its core values of Efficiency, Intuitiveness, Honest and Caring.

On a maximum score of 5, Rebtel received an average rating of 2.79 for Efficiency, 2.9 for Intuitiveness, 2.92 for Honest and 3.23 for caring. When filtering to only the respondents who had used the Rebtel service (44 responses), the ratings in all categories were different, i.e. higher, 3.53 for Efficiency, 3.47 for Intuitiveness, 3.59 for Honest and 3.44 for Caring.

4.3.12 Preferred Co-brand and sponsorship

When asked about the collaborations with different events and organizations that the respondents thought were most appropriate for Rebtel as much as they knew about it so far, the respondents had chosen the following alternatives.

![Preferred Co-brand and sponsorship](image)

Figure 63: Preferred co-brand and sponsorship

4.3.13 Rebtel user experience and satisfaction

Out of 46 responses that had used Rebtel service before, based on the last use experience, 52.2% said they were very satisfied and 37% satisfied to some extent (37%).

81.8% would use Rebtel again in their next international call.
On a scale of 10, users gave the rating of 7.93 when asked whether they would recommend the Rebtel service to others. Respondents said they would recommend Rebtel due to its cheap and good price, good quality and service, ease of use and bonus. A few respondents gave comments on expensiveness, and recently increased price.

90.7% of respondents used Rebtel to make international call to landline/mobile while 18.6% used Rebtel to call other Rebtel users.

32.6% of the respondents used only Rebtel. 39.5% had acquired 2 VoIP products. More than 16.3% used among 3 VoIP products and 11.6% had more than 3 VoIP products.
5. Analysis - How can a VoIP provider such as Rebtel differentiate, sustain and accelerate through branding

5.1 Branding Rebtel in the hi-tech context

The analysis section will combine the theories and empirical findings in order to answer three main questions on Swedish VoIP behavior, how VoIP companies such as Rebtel can bridge the gap between brand identity and brand equity and the general exercises of branding strategy in the VoIP telecom sector; VoIP branding.

The alternatives for international calling services are many, such as via the normal operator in each country or through VoIP/MVNO providers. According to the survey PC-to-PC VoIP is the most known and preferred solution for international calling. In second place is mVoIP and via normal operators. MVNO providers were only known by a small percentage of respondents.

5.1.1 Market, Technological uncertainties and Competitive volatility

Rebtel and other companies in the VoIP sector all experience the three uncertainties in the hi-tech environment; market, technological and competitive. Although the market uncertainties will probably decrease with time as more and more consumers become aware of VoIP and spread the word to their peers.

There is, at the moment, a difference in the technical quality delivered from each company. Different users in different countries are still facing a different level of call quality due to the VoIP development within each country. However, this factor is also less of a risk as VoIP technology is increasing in quality and reliability over the years. The most crucial uncertainty is rather the competitive volatility. In the case of Rebtel, its competitors are the product leaders, Skype and GoogleTalk and now even Facebook as Facebook has integrated chat and video calls into its services. A new company can suddenly appear that offers the same international communication at zero price, but just with a different name.

Another example is Viber. Viber entered the market and induced existing VoIP customers to cross the chasm via the freemium strategy. Viber offered free VoIP calls among Viber users through mobile apps. This freemium technique has given Viber a user base of 30 million. In the future Viber may extend the product solution to cheap international calls and become Rebtel's competitor in international calling services. Customers who are already “locked-in” may be inclined to using Viber's extended service rather than switch or acquire an additional product due to the switching effort and the direct network externalities.
5.1.2 Understanding the VoIP consumer’s purchase decision

PC-to-PC VoIP is the most known and preferred solution for international calling. In second place is mVoIP and via normal operators. MVNO providers were only known by a small percentage of respondents.

5.1.2.1 Problem recognition

Despite the need for cheap international calls, according to the survey, only 50% of VoIP users were likely to switch from their existing product. Most of the respondents perceived the price and quality of their existing providers to be sufficient enough and because of their contacts who were using the same product. (Section 4.3.13)

Preferred medium- PC, Mobile app or via normal operators

The respondents mostly used a PC for international calling, the next media with as large a percentage were mobile apps and normal operators and a very small percentage used a calling card or SIM card. (Section 4.3.3)

5.1.2.2 Information search and evaluating alternatives

Evaluating the price and networks

When evaluating international calling providers, the respondents rated cheapest alternative and good price with almost equal percentages. The next influential factor was recommendation followed by customer service, website in local language and rate in local currency. (Section 4.3.5). This indicates the direct network externalities’ effect on VoIP consumers and it implied that consumers would include the products that were recommended and products with good or best price in the set of alternatives to choose from. Thus the companies can choose to focus on word-of-mouth and/or price value.

Influential Information sources: Word-of-mouth and online channels

This reflected also in the case of Rebtel consumers. More than half of existing customers knew Rebtel through their contacts (46% through friends and 10% from colleagues and classmates). Recommendations and online sources were about equally as important in user generation. 40% knew about Rebtel through a Search Engine (30%) and digital banners (10%). 10% heard about Rebtel via a print ad. (Section 4.3.4)

In search for Quality and Price Online Clues: Local rates, Discount, BEST, Free

Correspondents said they were interested in products that included the striking search engine taglines such as “local rates”, “94% discount”, “and Best international cards”. (Section 4.3.6)

Decision paradox: Inertial, Connection and Price

VoIP consumers are experiencing the paradox between the chasm, connection and price. They are satisfied with the products, and although curious about the benefits of other providers, they are reluctant to acquire new products. This is due to the technological uncertainties and the lock-in and switching cost effect.
However, after acquiring the new product, they tend to stay for a while. According to Bäckström, Rebtel customers remained with Rebtel for at least a year before they perhaps moved back home and no longer needed an international calling service.

**Visual identity – brand name, logo and slogan respectively**

The respondents were asked to evaluate brand visual identities that gave perceptions of being *Cheapest, Best value for money, Innovative, Good Quality and Most Appealing*. When asked to rank between the visual identity elements; brand name, logo or slogan, the respondents placed importance on the name (36.4%), logo (36.4%), the combination of the name, logo and slogan (33%) and the slogan only (11.5%).

*Brand awareness and brand loyalty effect future purchase decisions*

Since brand name was one of the most effective visual identity elements, it could be implied that the respondents may base brand perception not only on the brand name but also on their prior knowledge about the brand, i.e. the *brand name and brand knowledge*. This brand knowledge was not extractable due to the strong presence of brands such as Skype, GoogleTalk and Viber. It could have been taken out from the alternatives but the alternatives would then not reflect the current alternatives in the current market environment.

VoIP awareness rating showed that respondents knew about Skype, GoogleTalk, Viber and Rebtel. Moreover, respondents said that they were already using these top four brands: Skype, Viber, Rebtel and GoogleTalk accordingly. The perception results also showed that these four brands also ranked among top three in all perception categories except JAJAH, which had lower brand awareness but scored high in the Best value for money category. (Section 4.3.4)

<table>
<thead>
<tr>
<th>Top brand awareness</th>
<th>Top number of users</th>
<th>Cheapest</th>
<th>Best Value</th>
<th>Innovative</th>
<th>Good Quality</th>
<th>Most Appealing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skype</td>
<td>Skype</td>
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<td>Viber</td>
<td>Rebtel</td>
<td>GoogleTalk</td>
<td>JAJAH</td>
<td>Viber</td>
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<td>Rebtel</td>
<td>GoogleTalk</td>
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Table 2: the summary of respondents’ brand perceptions

According to the scenario above, it was likely that among the nine brands presented for evaluation, respondents included the brands that they already knew of and had used in the set of alternatives to choose from. *Thus, strong brand visual identity can create desired perception and affect the purchase decision if the brands also integrate brand awareness and spread the desired brand message/knowledge.*
5.1.2.3 Post-purchase evaluation

Customer service is the key
Post-purchase is important for hi-tech consumers. According to the survey, customer service was ranked among the top five most influential factors when selecting an international calling provider.

5.1.3 Rebtel business strategy

According to Peter Bäckström, Rebtel entered the market as Product leader in providing cheap VoIP international calling from any phone to any phone though a local access number. The development in mobile applications had enabled certain competitors to enter the market providing free applications that enabled free calling and/or free texting among users. Rebtel was not first in moving to these platforms but was very quick in launching its mobile apps and PC-to-PC platform. In this case, Rebtel was rather a fast follower. Rebtel launched its iPhone and Android apps in 2010 and BlackBerry in 2011. Now that Rebtel can provide all available solutions, Rebtel is driven towards achieving operational excellence by fine-tuning its system and products. In October 2011, Rebtel launched version 2.0 of its iPhone app, which allows free international calls among users using Wi-Fi, 3G or local minutes in which users can choose the “KeepTalking” feature when making a call as well as texts and calls to non-Rebtel users. (Empson, 2011)

5.1.4 Benchmarking Rebtel’s hi-tech branding strategies

This part analyzes Rebtel’s branding effort in conjunction with branding in hi-tech environment strategies proposed by Jakki Mohr to benchmark and identify strategies that may not have been explored by Rebtel.

- Create a steady stream of innovations with a strong value proposition
  Rebtel has, since 2001, continuously developed and added new international calling platforms and features to provide customers with broader solutions and enhancing product quality, manifesting the company’s vision of being “the best at providing affordable international calling to the people who need it the most”. (Rebtel)

- Emphasize advertising to create awareness and a brand image
  In 2008 Rebtel, through its marketing agency EthnikPR, partnered with Monsoon Media in order to create the print and online ads, which sent a direct message to the Indian-American audience. Monsoon portrayed the Rebtel identity as being a straightforward company with a touch of humorous Indian-American culture. The web campaign stated the reasons for calling family and reminded callers to stay in touch with them through symbols such as the picture of a mother wondering about the missing call. This campaign also included the style of print ad with CEO Hjalmar Winbladh blended in with the multi-ethnic Indian-American community. The creative style of the print ad fitted in well with Rebtel’s innovative
approach. This ad was broadcasted in South Asian American media in North America. (Drewniak, 2008)

Figure 64: Rebtel founder Hjalmar Winbladh surrounded by Indian-Americans in Monsoon’s print-ad
Source: (Natividad, 2008)

- **Effectively harness Web 2.0 technologies and New Media**
  Users can top up their calling credit at any time from the mobile app or on Rebtel’s website. Users’ information is synched between their mobile interface and the web interface the mobile.

- **“Influence the Influence” and stimulate word of mouth**
  Rebtel’s credibility is derived firstly from the Rebtel management team with high profile and well-known entrepreneurs and secondly from their investors, Inex Ventures and Balderton capital who have been the direct driving force behind the success of Skype, Betfair, MySQL, Yelp and Twitter. Rebtel has been covered in both printed and online newspapers such as, among other publications, the Wall Street Journal, the New York Times and the International Herald Tribune. In addition, during its 5 years of excellent operation, Rebtel has already received several industrial awards such as “Best Utility App” at Mobil Galan 2011, “Red Herring 100 Europe” and the 2007 “International Business Award” and “Best New Company” to name but a few.

*Stimulate PR activity and communication to consumers.*
As stated by Bäckström, Rebtel wanted to be able to convey and spread a similar credibility for Rebtel’s reliability and quality to a consumer-oriented audience.
• **Think strategically about corporate social responsibility**
  According to Bäckström, Rebtel would like to be associated with the CSR approach that not only gives back to the community but also supports creativity and festivity. In line with this Rebtel has agreed and chosen to sponsor Miss Africa USA in 2011 for the Africa-American community that has proven to be one of Rebtel's loyal customer groups.

  At the same time, according to the survey, the respondents felt strong association between Rebtel’s heart symbol and the caring principle with humane organizations such as the Red Cross, followed by Sport and Festival sponsorship.

• **Brand the company, platform or idea**
  Rebtel is branding itself as an industry Rebel but one that is also efficient, initiative, honest and caring. Rebtel encourages intuitiveness among employees and it values the corporate culture of being innovative and efficient. Rebtel treats its customers with honesty and care.

  Rebtel’s CEO, Andreas Bernström, has been the guest writer and guest speaker in various newspapers and conferences. Recently he wrote an article “What Microsoft Can Learn from Android’s Mistakes” for “CIO Network: Insights and Ideas for Technology Leaders”. The same article can also be followed by Forbes readers. He was also the speaker at the NOAH10 conference in London and MobileFuture at Kista, Stockholm. In November 2011, Rebtel received the innovation prize from Veckans Affärer and ÅF where Bernström accepted the prize on behalf of Rebtel for its product that offers comfort and better price for international calling customers. (VeckansAffärer, 2011)

Figure 65: Rebtel’s CEO, Andreas Bernström (to the right) and Hjalmar Winbladh, Rebtel’s founder (to the left)
Source: (VeckansAffärer, 2011)
• **Rely on symbols**
Rebtel’s heart symbol has become the brand’s symbol. It has been used as brand identity. The heart was chosen as the icon for mobile apps on iPhone, Android as well as BlackBerry. The heart captures, and is directly associated with Rebtel’s principles of being honest and caring.

Rebtel’s brand name is associated with the Rebel origin both by Rebtel and by the survey respondents (non-Rebtel users and Rebtel users). The brand name sent a strong message of being a rebel, against the more expensive international calling service and phony and unreliable calling services.

• **Utilize effective internal branding**
Rebtel corporate culture is a fun and non-corporate workplace where individual *creativity and intuitiveness* is valued. At Rebtel’s hiring website, *passion and efficiency* were the key words communicated. The same values are aligned and reflected in Rebtel’s employees work values. Lars Stenberg, a developer at Rebtel, said that he loved Rebtel’s cool product and he used it on daily basis. He liked the non-corporate work setting. He was supported in his work but was also encouraged to take a break and have some fun once in a while. Christopher Ahlbin, an iOS developer, said his team inspired him. He thought the product was awesome and he was proud of it. Moreover he also appreciated the efficient way of working at Rebtel where the product idea could turn into a product in a short time span, and this has been very motivating for him as a developer at Rebtel. (Rebtel, Rebtel, 2011)

![Figure 66: Photo of some of Rebtel’s employees](image)

*Source: (Rebtel, 2012)*
• **Manage all points of contact**
  Rebtel’s customers can contact Rebtel at all points of contact, starting
  from installation to daily use, from their PC-to-PC application, mobile app,
  in all issues; the calling, payment, PIN code or rating issues. Rebtel users
  can request a PIN code to be sent to them as SMS or via the automatic
calling service from Rebtel.

• **Work with partners (co-branding and ingredient branding)**
  At the moment Rebtel’s important co-branding and ingredient branding
  partners are
  
  o **Local market partners** such as the case with Xcom Global in
    order to expand into new customer segmentation. Here Rebtel is
    both a co-brand with Xcom Global as well as being an added
    ingredient product to Xcom's mobile connectivity.
  
  o **Industry leaders** in terms of investment and relevant medias in
    order to enhance and spread the word of the credibility of the
    company and the quality perception of the products. High-profile
    entrepreneurs, associations and media endorse Rebtel.
  
  o **Retail and affiliates** as in the case with Mecenat card. Co-
    branding with Mecenat creates brand awareness and brand
    association for Rebtel while Mecenat can complement its product
    offering with Rebtel product.

  Rebtel can further explore the value as well as potential co-brand
  partners in order to boost Rebtel awareness and potential with user
  generations as a result.
5.2 Enhancing Rebtel brand identity

5.2.1 Developing Rebtel’s six facets of brand identity

Rebtel’s product and brand concept gathered online, from the interview and the survey, have been manifested in Kapferrer’s six facets of brand identity concept in order to further understand and create Rebtel’s brand identity. This is illustrated and described as follows.

Figure 67: Rebtel’s six facet of brand identity (adaption from Kapferrer model)

Externalisation dimension

1. Physique facet
Rebtel’s logo contains a heart instead of the letter B in Rebtel. This symbol placement is designed to send a message of the caring principle. Rebtel uses the rigid font as well as the color blue to communicate their professionalism. Rebtel’s interfaces are web, PC and on mobile.

2. Relationship facet
Due to the good customer satisfaction rate, Rebtel users feel that Rebtel’s product is reliable and has good quality. Apart from benefiting from the cheap and quality product, they can also easily access the service via various platforms, anytime, anywhere.

3. Reflection facet
A Rebtel customer feels that they can be caring and stay in touch with their loved ones comfortably anywhere, anytime. Rebtel’s customers are partly rebels themselves, especially for early users. Because they value their time and money, they are comfortable with new technology and are intolerant of poor quality service.
Internalisation dimension

4. Personality facet
Rebtel focuses greatly on the personality of being honest to customers and enables customers to be caring to their loved ones by using Rebtel's good quality service at low price.

5. Culture facet
Rebtel is a Swedish engineering company that focuses on being innovative and efficient. Rebtel values the transparent way of doing business with partners and customers. At the same time it is discreet about its success.

6. Self-Image facet
Rebtel started from the idea and intention of being a rebel to the expensive and phony telecommunication industry by being initiative, innovative and efficiently smart in their product innovation. Despite that Rebtel is the world's second largest VoIP provider after Skype, it would rather focus on its good quality service than be too arrogant about its success. Rebtel shows that it cares about its customers so that they in turn can be caring about their loved ones. The operational excellence strategy fitted in with this thought as well as the company vision of being the best in providing an international calling solution.

5.2.2 Developing Rebtel’s Core & Extended Identity

According to the data collected, Rebtel’s Core and Extended Identity can be developed as follow:

Core Identity
Intuitiveness: innovative and creative
Efficient: operational excellence
Honest: doing business with transparency and professionalism
Caring: Enable customers with solution to keep contact with their loved ones

Extended Identity
Product Scope: International calling
Users: anyone who makes international calls to loved ones
Logo: the heart
Slogan: “Talk more to your loved ones”
Personality: Rebel, reliable, innovative, competent, exciting, responsible, pursuit of excellence
Network: Connecting people through low price international calls
Value for money: Provide best value product
Heritage: Entrepreneurship

Loyal users
Quality Culture
Committed employees
5.2.3 Developing Rebtel’s Brand Identity according to Aaker

From the core and extended identities as well as the data collected, Rebtel’s identities can be further developed in line with Aaker’s brand identity dimensions as follow:

5.2.3.1 Brand as Product

1) **Product Scope:** For Rebtel, the product is the international calling service.

2) **Product-related attribute:** Rebtel offers an affordable and convenient international calling service from your mobile phone and PC anywhere, anytime, on wireless network and on landline minutes.

3) **Quality/Value:** Rebtel’s business strategy is operational excellence where Rebtel’s vision is to be “the best in providing affordable international calling”. (Rebtel)

4) **Association with use occasion:** The KeepTalking™ feature will enhance the impression of quality and innovativeness of Rebtel’s product. Rebtel can promote this feature as point of differentiation.

5) **Association with users:** Rebtel’s mobile app supports the smartphone user lifestyle of using and managing their agendas via their Smartphones. Rebtel mobile apps provide convenient and innovative solutions that are appealing and suit the lifestyle of smartphone owners.

6) **Link to country or origin:** Rebtel is a Stockholm-based and Swedish company. Although the degree of promotion of Rebtel as a Swedish company to consumers is not yet determined. The survey results from Swedish residents showed that the market was receptive about Rebtel promoting itself as a Swedish company.

*Apart from the modern image of the County of Origin, another legacy that can be explored is the entrepreneurial and innovative spirit of Swedish entrepreneurs and inventors through time. Rebtel’s founders have already established this link through their entrepreneurial spirit.*

5.2.3.2 Brand as Organization

7) **Organization attribute.** Rebtel’s management teams, as well as the investors are driven, innovative, talented passionate people with a strong entrepreneurial spirit. This is demonstrated in the story of Rebtel. Rebtel’s corporate guiding principles are Efficiency, Intuitiveness, Honesty, & Caring. And these are reflected in all Rebtel’s business and product development approaches. Rebtel’s employees also understand and value the same ideas. Although Rebtel has not promoted this area much towards consumers, these core principles have already been
heavily communicated towards thought leaders in the technological communities and drivers within mobile VoIP business as well as within the organization.

8) **Local vs. Global.** Rebtel followed the being global, act local approach. Rebtel being a global company needs to focus on promoting Rebtel in each local market as well as developing partnership with relevant local companies. The local partnership will help Rebtel to reach out to local customers in each country as they may have different calling behavior and preferences. (Bäckström, Section 5.2.7.6.2)

5.2.3.3 **Brand as Person**

9) **Personality.** Rebtel’s core values are Intuitiveness, Efficiency, Honesty and Caring. According to Bäckström, Competence and Friendly are personalities that would fit with Rebtel. As Competence would represent Rebtel’s engineering aspect and back-end technology, as well as Exciting considering Rebtel’s new platforms and features. (Bäckström, Section 5.2.7.5)

5.2.3.3.1 **Developing Rebtel’s BPS**

Mapping these personalities onto the BPS Personality Scale (BPS) (Section 3.3.3) Rebtel’s core values can be found in the **Sincerity Scale** *(Honest, Caring)*, **Competence** *(Efficient)*. The **Intuitiveness** principle represents the **Excitement**. (Bäckström Section 4.2.7.5.3)

Rebtel’s name was written in blue, professional font and blue color, which support both the Sincerity (blue-collar) and Competence, scale (corporate, serious). The lively background of Rebtel’s web interface supports its Excitement scale. The cool, friendly pictures at Rebtel’s website also support the Sincerity Scale. (Cheerful, Friendly, Happy).

The mapping and the personality list can be used for further brand personality decisions about what personality to further focus on, extend or acquire to present Rebtel in both online and offline branding campaigns. Below shows Rebtel’s personality highlighted on the BPS list.

**Sincerity**
- **Down-To-Earth:** family-oriented, small-town, conventional, blue-collar, all-American
- **Honest:** Sincere, real, ethical, thoughtful, caring
- **Wholesome:** Original, genuine, ageless, classic, old-fashioned
- **Cheerful:** Sentimental, friendly, warm, happy
Excitement
  *Daring:* trendy, exciting, off-beat, flashy, provocative
  *Spirited:* cool, young, lively, outgoing, adventurous
  *Imaginative:* unique, humorous, surprising, artistic, fun
  *Up-To-Date:* independent, contemporary, **innovative**, aggressive

Competence
  *Reliable:* hardworking, secure, **efficient**, trustworthy, careful
  *Intelligent:* technical, corporate, serious
  *Successful:* leader, confident, influential

Sophistication
  *Upper Class:* glamour. Good-looking, pretentious, sophisticated
  *Charming:* feminine, smooth, sexy, gentile

Ruggedness
  *Outdoorsy:* masculine, Western, active, athletic
  *Tough:* rugged, strong, no-nonsense

Figure 68: The friendly illustration at Rebtel’s website
Source: (Rebtel, Rebtel, 2011)

Figure 69: The friendly illustration at Rebtel’s website
Source: (Rebtel, Rebtel, 2011)
10) **Brand Customer Relationships.** Most customers have not expressed directly that they saw Rebtel as for instance, friend or advisor. However, customer survey, both external and internal showed that Rebtel customers are very satisfied with the product.

5.2.3.4  **Brand as symbol**

11) **Visual imaginary and metaphors.** For the visual identity, Rebtel's heart logo represents the caring part, while the blue and boxy shape is chosen to represent the engineering company and professionalism. Rebtel's brand name reflects and captures the initial rebellious spirit of Rebtel as a company.

12) **Brand heritage.** In the heritage dimension, Rebtel can exploit its rich history of Swedish entrepreneurs and innovators or based on the founders entrepreneurial experiences through time.
5.3 Enhancing Rebtel’s brand equity

5.3.1 Rebtel’s brand loyalty

Brand Loyalty Level
According to the survey, more than 90% of 46 respondents were satisfied with Rebtel’s product based on the last use experience. Besides, 81.8% would use Rebtel again in their next international call. 8 of 10 users would recommend Rebtel's service. The overall satisfaction level is pretty high. This also confirmed Bäckström’s statement that Rebtel’s customers were very satisfied with the products.

Brand Loyalty approach
Rebtel sends out customer satisfaction surveys to existing customers on a regular basis. Participating customers would have a chance to gain extra calling deposit or win other products such as iPods. Moreover, Rebtel customers receive monthly account summary.

Rebtel’s product creates more value for customers when more and more of their contacts also use Rebtel. Each customer thus has a different level of switching cost on Rebtel’s product.

5.3.2 Rebtel’s Brand awareness

Brand Awareness level
According to the survey, out of the 271 responses, 45 responses (16%) said that they used Rebtel before.

Brand Awareness approach
Rebtel’s brand strategy is rather different from its competitors. Rebtel differentiates itself from competitors both by means of the heart symbol and the slogan “talk more to your loved ones”, rather than focusing on a slogan on prices as other competitors.

According to Bäckström, Rebtel has not yet developed many PR programs to improve awareness through PR effort. Rebel thus focuses on reassuring existing customers about the product quality and Rebtel as a serious provider. Rebtel has participated in several corporate-related events; however, not yet to such a great extent in customer-oriented ones. In early 2012, Rebtel has established a recruitment plan for setting up a pure PR department at the Stockholm office.

5.3.3 Rebtel’s perceived quality and pricing

Perceived quality
According to Bäckström, Rebtel customers’ perceived quality is high and customers are very satisfied with the product. Moreover, the survey conducted by Trustpilot showed that, 136 Rebtel users had given Rebtel a score of 8.1 out of 10 in term of customer satisfaction. (Trustpilot, 2012)
Perceived quality approach
Rebtel, unlike its competitors, does not send out the message of being the cheapest. Rebtel rather focuses on being a high quality product provider, which gives best value for money to customers in terms of call quality, price and customer service.

Rebtel Quality Culture
Rebtel has valued high quality from the start. This has been integrated into Rebtel’s operating principle of *Quality and Low Price*. Rebtel is an engineering company, which focuses on product development and product quality. From being innovative Rebtel product will enable customers to be able to “talk more” to their contacts. Rebtel’s developers have expressed a positive feeling towards Rebtel for allowing them to be creative in their work.

5.3.4 Rebtel’s Brand associations

According to Bäckström, Rebtel wanted to be associated with festivity thus the latest sponsorship was to sponsor Miss Africa in the US. Rebtel has also expressed the desire to pair up with a money transfer provider, such as Western Union. According to the survey and due to the logo and slogan, respondents also associated Rebtel with CSR causes such as the Red Cross.

Rebtel’s existing brand associations’ approaches are examined according to Aaker’s 11 dimensions of brand associations as follows:

1) **Product Attribute.** Rebtel’s latest smartphone application includes a unique feature KeepTalking™ which Rebtel has been promoting as an additional and special attribute to its mobile applications.

2) **Intangible.** Rebtel has not explored this association yet.

3) **Customer benefits.** Rebtel’s slogan “Talk more to your loved ones” emphasizes Rebtel’s benefits to customers. It implies indirectly that through Rebtel’s product, which provides good quality and low cost international calling, customers will be able to call more to their contacts.

4) **Relative prices.** Today Rebtel is cheaper than top-of-mind brand, Skype, but is not the cheapest. Rebtel’s pricing would be in *economy* level but not *budget*. Despite that the quality of Rebtel’s product is as superior if not higher than the brand that sets a higher price.

5) **Use/application.** Rebtel’s slogan, “Talk more to your loved ones” sends a message that users should use Rebtel to call someone they care about.

6) **Use/customer.** Although Rebtel invests most on smartphone applications, it also provides solution for calling from home phone and PC. Thus, the product is universally applicable and can be promoted to all.
7) **Celebrity/persons.** Rebtel has not been endorsed by any celebrities but rather by successful venture capitalists and print media that have given Rebtel credibility as being a professional and serious provider.

8) **Life-style/personality.** When asking Rebtel to link its own product to a car brand, Bäckström referred to SKODA as Rebtel was also a cheap alternative to other telecom providers but Rebtel was a quality product in the same way that SKODA was well-built by Volkswagen. Rebtel was cheap and reliable as such. Thus, choosing SKODA is compatible with Rebtel identity

At the same time, according to Heylens, **SKODA** brand has a subtle message of being introvert and unsure. With this in mind Rebtel can counterbalance this hidden generic view of SKODA.

When asking consumer to link a picture of Rebtel to a car brand, most respondents associated Rebtel with a low price car brand such as Skoda (17), Fiat (in *Warm*, Harmony dimension) (11) and premium car brand such as Toyota (in Receptive, *Responsive* dimension) (12) and Volvo – (Determined and *Confident*) (9). This implied that the majority of the respondents, although not all, who chose SKODA, had positive view about Rebtel’s product (*warm, responsive, confident*). Reasons behind associating Rebtel with a premium car brand could depend on how they perceived Rebtel’s quality while the choice of the low price car is probably due to the price perception.

9) **Product class.** Rebtel offers an international calling service which can come in the form of smartphone application, installation on PC or from normal phones.

10) **Competitors.** Even though, Rebtel is today already being compared and manifested as Skype’s largest threat, due to the fact that Rebtel is today the second largest VoIP company after Skype concerning the customer base, the comparative advertisement has not been fully exploited. During the interview/conference, the Rebtel representative often stated that Rebtel was cheaper than most local operators and 40% cheaper than Skype but the statement was given as information rather than for branding purposes.

11) **Country of Origin.** Rebtel has not used the Country of Origin, Sweden as a key in an advertising campaign. According to the survey conducted for this research, the respondents living in Sweden were receptive about Rebtel being a Swedish company. However, this can also imply that they either prefer Swedish products wherever they reside, or they were fond of the local brand, i.e., a Swedish brand because they lived in Sweden.
5.4 Gaining insight to brand strategies that are dominating the VoIP and MVNO telecom sectors

Most VoIP companies are start-ups and thus their marketing strategy stays in line with the branding effort in start-ups which relies on word-of-mouth, resting on the peer-to-peer effect and search engines and digital banners. Brands aim firstly to establish connections with investors, business influencers and media in order to create credibility and awareness.

5.4.1 Brand portfolio

5.4.1.1 Master brands

All VoIP and MVNO providers have the master brand strategy, except GoogleTalk which is a subbrand of Google’s product offerings; all of the master brands are the same as corporate brands such as Skype, Rebtel, JAJAH and Lebara.

5.4.1.2 Endorser/subbrands

According to the data collection, most of the international calling companies, VoIP and MVNO, have invested in partnership with relevant endorsers. However, VoIP providers have not yet explored the subbrand strategy. Not even Skype which is the product leader.

- **Endorsers**
  Endorsers can also be achieved from relevant and renowned associations through partnership, awards and membership. Rebtel has achieved several awards such as the winner of “Best Utility App at Mobilgalan 2010 (for Android)”, and was a finalist in “Best Mobile Startup Category” at “TechCrunch, The Europas European Startup Awards 2010,” etc. Localphone joined the Internet Telephony Service Providers’ Association (ITSPA) in order to gain the credibility and acceptance within the internet telephony industry. Lebara is another company that working on this strategy as well. In 2009, Vopium was awarded the “Frost and Sullivan 2009 European Mobile VoIP Technology Innovation Award”, which focuses on innovation and new product offering.

- **Subbrands**
  MVNO providers have developed subbrands as their added product offerings in relation to the core communication service. Lebara is one of the major players of this strategy. Together with MasterCard Lebara developed the LebaraMoney subbrand which offers customers the opportunity to make money transfers between cardholders as well as use the credits for calling. Lycamobile, with its LycaMoney, develops a similar subbrand. Here LycaMoney offers the green and the silver cards with different options such as transferring between cardholders for silver card while for the green cards, users transfer money to the local partners’ collection points.
5.4.1.3 Branded Differentiators

Rebtel is exploring this area. It has already started partnerships with local providers, sponsored a festival in the US and offer promotion through student’s Mecenat and Studentkort cards. VoIP providers may explore further into the creation of customer-oriented branded programs that will involve and/or reward users to establish brand interaction, offer customer benefit and achieve brand loyalty.

1) **A branded feature.** Rebtel has recently added the *KeepTalking™* feature which enable customer to switch from Wi-Fi to the landline network during the call without having to interrupt the call.

2) **A branded ingredient.** Lebara and Nokia have become each other’s ingredient brands through their partnership. Skype once was an ingredient brand for its hardware partner. Rebtel is part of the Mecenat promotional offering.

3) **A branded service.** The *LycaMoney and LebaraMoney money transfer service* are examples of branded, added services which still have a strong connection to the core business.

4) **A branded program.** Rebtel has a “Tell friend bonus” campaign which rewards bonus to Rebtel users who refer new registered users. Apart from this, there is no strong example of a customer-oriented branded program. There is a CSR branded program by Lebara in the form of the Lebara foundation, however, customers are not involved directly or rewarded from the program. Vopium has several programs for business partners such as Vopium’s *White Label Partner Solution program* which means that Vopium would also partner with any business that is interested in using Vopium’s business platform.

5.4.1.4 Alliance brand (co-brand)

VoIP providers do not yet explore co-branding so much, while MVNO providers are a few steps ahead in this strategy. The common brand alliance purposes are market expansion, co-branded for new product offering such as the case of Lebara and Lycamobile with MasterCard which is the best example of the brand alliance case. Other purposes include operational benefit such as the alliances with distribution channels and customer acquisition purpose such as affiliate partnership. VoIP and MVNO providers have created **Brand Alliances** for different purposes as follow:

1) **Market expansion with Local business alliances** such as Rebtel with XCom Global and JAJAH with Globe Telecom in order to cross the barrier into foreign markets or certain niche markets. Skype partnered with PCHom, these partners helped in navigating some of their users to VoIP companies while they themselves could offer services from VoIP companies as added services to their own customers. Vopium offers a
partnership with any business that wants to use VoIP solutions through its White Label Partner Solution program.

2) **Co-branding for new product offering.** Such as in the case of Lebara and Nokia, where Lebara can offer its customers Nokia mobile phones with Lebara SIM card while Nokia will receive more orders for its mobile production as well as more customer exposure.

   In the early years of VoIP, Skype co-branded as an ingredient brands for its hardware partners by certifying “Skype Certified” label on partners’ PCs to guarantee that the computers were compatible with Skype installation. Other relevant co-branding efforts were Lebara and Lycamobile with MasterCard in offering LebaraMoney and Lycamoney.

3) Another type of brand alliance is with **Distribution channels;** this is more relevant for MVNO providers for operation and distribution purposes. This includes channel such as 7-Eleven and Pressbyrán in Sweden and The Carphone Warehouse in the UK. A similar case can be interpret in the VoIP Industry as the relationship that needs to be established between VoIP providers and their mobile app platform owners such as Apple and BlackBerry.

4) **Affiliates.** Such as in the case of Rebtel with Swedish Mecenat and affiliate programs and the Vopium Reseller Benefits program.

### 5.4.1.5 Corporate Brands

VoIP providers have, in different degrees and for different causes of choice, explored the value of their corporate brand. Rebtel has branded its company as a rebellious, innovative, honest, quality and customer-oriented corporate. The Rebtel brand will project the professionalism of the company and the honest and caring message. This also reflects in the innovative awards that Rebtel has received from several organizations as well as the high customer satisfaction rating. By providing quality service, Rebtel represents direct value for customers.

Lebara has further extended its corporate brand into a CSR foundation that is linked back to Lebara and which demonstrates Lebara’s giving back to society focus. Localphone has demonstrated its environmental concern through the cooperation with EvoSwitch.

### 5.4.1.6 Branded Energizer

1) **New Branded Products.** The most obvious new branded product is the LycaMoney and LebaraMoney service.

2) **Branded Promotional Activities.** Rebtel and Lycamobile participated at local events as sponsors in order to promote their products at the same time.
3) **Branded sponsorship.** The VoIP brands have sponsored various events such as Rebtel’s sponsorship of the 2011 Miss Africa Pageant, and Lycamobile sponsors a Formula 2 racing driver.

4) **Memorable Branded Symbols.** Rebtel takes the leading role in this part with its heart symbol, integrated with the brand name. The heart is further used as smartphone app icons. The rest of the VoIP companies have not been very active with the symbol as energizer.

5) **Branded Program.** JAJAH joined Telefonica’s branded volunteering program after the acquisition. Lebara established a CSR program with the United Nations High Commissioner for Refugees (UNHCR) and the International Federation of Red Cross and Red Crescent Societies (IFRC) in conjunction with its 10-year anniversary. Rebtel has the “Tell a friend bonus” campaign.

6) **Branding Uses.** VoIP companies emphasize the comfort and portability of making cheap, international calls from smartphones. MVNOs provide handsets from alliance mobile manufacturers to create a complete product package and benefit for their customers.

7) **Branded CEOs.** VoIP CEOs especially Rebtel’s, engage in industry conferences and events among industry leaders as guest speakers and also with industry media as guest writers.

8) **Branding a Lifestyle.** Rebtel has promoted the comfort of making international calling from mobile phones especially smartphones (iPhone, Android and BlackBerry), and especially at lower prices than most VoIP and MVNO providers as well as normal operators.
6. Conclusion

6.1 The characteristics of VoIP consumers in Sweden and their preferences

According to the survey, PC-to-PC VoIP was the most known and preferred solution for international calling. In second place is mVoIP and via normal operators. MVNO providers were only known by a small percentage of respondents. Due to the switching cost and the network effect, according to the survey, only 50% of current VoIP users were likely to switch from their existing product. Most of the respondents perceived the quality of their existing providers to be sufficient and the price to be relatively acceptable. Besides, they were reluctant to change because of their contacts, which were using the same product.

The survey showed that for users that already acquired VoIP products, a significant gap in pricing was necessary in order for the alternative to be considered and to be switched to. For potential users, they searched for VoIP information from friends and search engine. Price was an important issue together with the recommendation from friends. The next influential factors were customer service, website in local language and rate in local currency. Thus in order to attract new users, the companies may focus on increasing customer-oriented brand awareness activities (word of mouth) together with the benefit of the price value.

Brand name was one of the most influential factors. Customers also appreciated the whole package of brand name, logo and slogan. After that, they appreciated appealing logo and slogan accordingly.

6.2 How a company can form and bridge the gaps between brand identity and brand equity

A brand must first make decisions on brand identity. A company can do this by conducting a self-analysis, a customer analysis and competitor’s analysis. The brand personality can be developed and enhanced with the help of the Brand Personality Scales and picture imagination such as IMAPA. Once the core values are decided, a brand can further develop and enhance different elements and facets of the brand. A brand should convey its identity in every approach in the brand equity; brand loyalty, brand awareness, perceived quality and brand associations.

In the case of Rebtel, Rebtel’s heart logo is a part of Rebtel brand identity that enhances and emphasizes the brand identity (especially the corporate principle of caring). According to the survey, Rebtel visual identity was ranked at 3.23/4 for caring. Rebtel users were satisfied with Rebtel product. Because they knew more about Rebtel, used the product and were satisfied they gave Rebtel higher rates than what non-Rebtel users gave in all measured categories. (Efficiency,
Intuitiveness, Honest and Caring). The quality the Rebtel users and non-Rebtel users perceived from using Rebtel was high, so was the brand loyalty.

The areas that may be developed further were brand awareness and brand associations. The brand name Rebtel has conveyed the initial message of a rebel as most respondents had thought about the same words once they saw the name. They related Rebtel to a car brand that is of high quality at good price such as Skoda and Toyota. The respondents had chosen the areas of student service, country of origin, humanity cause, Sport event and festivity for the areas they could optimally associated Rebtel with.

6.3 VoIP branding, i.e. brand portfolio strategies, which are dominating the VoIP industry

All VoIP providers have the master brand strategy, except GoogleTalk which is the subbrand of Google’s product offerings; all of the master brands are the same as corporate brands such as Skype, Rebtel, JAJAH and Lebara.

Endorsers are mostly from industry associations, awards and relevant media in order to create credibility and reliable associations.

Subbrand strategy has not yet been explored much within the VoIP sector.

Branded differentiators are common as well. A VoIP brand promotes its unique product features or was a part of its partner’s differentiated ingredients. The branded service could be seen in different price packages such Monthly Payment Program or Fixed Country price package. A branded program is exploited in terms of a new user generating bonus program for existing customers.

Brand alliance has been created with local partners. Partnership is also created with industry leaders and affiliates partners.

Corporate Brand. Product value is promoted more than the corporate value, in the VoIP sector. VoIP providers are operating in line with their corporate values, however, this has not been promoted as much as the products itself.

Branded energizers. VoIP providers have extended their solution platforms from PC to mobile app. This could also be seen as a new branded solution. VoIP providers have participated in both industry and certain customer sponsorship events. However, they have not yet created their own branded promotional activities or own sponsorship campaigns. Most VoIP providers have not integrated branded symbols in their brand logo. Rebtel’s heart is a strong example of a few branded symbols in this sector. Most branded programs concern the stimulation of new customers or business partners. The usage value of comfort and portability of making cheap, international calls from smartphones and PC is the key message from VoIP providers. VoIP CEOs engage in and devote themselves to the relationship with different stakeholders. They place emphasis on developing the professionalism and innovativeness of their companies.
7. Recommendations for future study

Further research can be carried out using the same frame of analysis, which includes corporate self-analysis, customer analysis, and competitor analysis, in order to further develop the corporate brand identity, brand equity and brand portfolio strategy for other industry. The future research can choose to deepen the knowledge of certain brand portfolio strategy such as brand energizer. Further research using the same set of research parameters can be conducted on other providers of international calling service such as normal operator or MVNO providers.


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9. Appendix

Appendix A: Brand Equity and Brand identity questions to Head of Online Marketing of Rebtel

About Rebtel product
1) Describe your product and positioning.
2) Who are your customers? Which types of people are thought to use your brand? Which age, gender and life styles?
3) What are your company’s strength and weakness?
4) What is the brand’s particular vision and aim?
5) What are your brand’s two most important competitive dimensions?
6) What is the desired image of your brand? How does it differ from the profile of competitors’ brands?
7) Who are the major competitors for your brand, by segment? What are their positioning strategies and actual positions?
8) What is your price range comparing with competitors?
9) Do you consider yourself as a product leader, fast follower, customer intimate or operationally excellent?
10) What is the company’s promotion and publicity plan?
11) Is there any plan to expand into new product offerings?
12) How does Rebtel plan to expand?

Brand Equity

Brand loyalty
13) What are the levels of satisfaction or dissatisfaction among your customers? What is causing dissatisfaction? And has it been changing over time?
14) What sorts of programs do you consider would improve loyalty levels?
15) How is the repurchase rate?
16) Is there any switching cost that the brand incurs?

Brand awareness
17) Do you considered your brand to be well-recognized and well-recalled by potential customers?
18) What communication program can be done to improve awareness?

Perceived Quality
19) How does customer perceive the quality of your brand? How has it changed over time?

Brand associations
20) Does your brand have any associations that should be exploited?
21) **Brand as product** - What are the key functional benefits of your brand?

22) **Brand as organization** - Are there organizational vision/associations that will provide a value, a relationship, or credibility to your product?

23) **Brand as person** - What is your brand personality? What of the five personalities represent your company: competent, sophisticated, rugged, exciting or sincere?

24) **Brand as symbol** - Do your current name, symbol, and slogan deliver the desired message you would like to send?

25) What is the legacy/heritage of your brand?

26) What are your opinions about competitors’ names, symbols, and slogans?

**Brand Identity**

27) Could you explain the core identity and extended identity of your brand?

28) What do you think are the relationship your customer has towards your brand, and your customer’s reflection toward your brand?

29) At REBTEL’s 50th year anniversary, what would be the dress code?

30) If REBTEL would be a magazine, what magazine would it be?

**Brand strategies**

31) Do you make any differences between Brand portfolio management and brand architecture?

**Web advertising**

32) Does the communication on your website support the brand? Are symbols used and enhanced? Do they provide added value to the customer?

33) Is there a hook to get the visitor to keep coming back?

34) Does your Web site establish a dialogue with current or potential customers? Does it facilitate customer feedback? How is this information used in your organization?

35) Do you have a web presence that is consistent across brands and markets and with offline media?

36) Identify the E-branding tools that are currently used?

**Sponsorship**

37) What are the organization/persons that your brand sponsor and why?

**Co-branding**

38) Are there opportunities to partner or co-brand? What types would enhance the identity?
Appendix B: Facebook pages where e-survey was posted

Academic Work
Bauhaus
Chalmers Studentkår
Civilingenjör i Medieteknik
English/Swedish Speaking Expats in Karlstad, Sweden
ESN Sweden
Exchange Student at Malmö University
Expat Sweden
Försvarshögskolan
Göteborgske Spionen
Handelshögskolan i Stockholm – kandidat
Göteborgske Spionen
Högskolan i Borås
Högskolan i Gävle
Högskolan i Gotland
Högskolan i Halmstad
Högskolan i Jönköping
Högskolan i Skövde
Högskolan Väst
ICA
IKEA Sverige
International Students at Karlstad University 2010-2011
International Association of Jönköping Student Union 2011
International Committee Södertörns Högskolas studentkår - SöderS
International Students in Sweden
Internationella biblioteket
Internationella Engelska Gymnasiet Södermalm
Jönköping University

Internationella Engelska Gymnasiet Södermalm
KMH - Kungliga Musikhögskolan
KTH
KTH alumni
KTH THS inter
Linnéuniversitetet
Lund University
Mälardalens högskola
Malmö University
Revolutionary Erasmus students Stockholm
SHHS - Sophiahemmet Höskola
Studentkår
Södertörns högskola - Internationella enheten
Stadsbiblioteket Stockholm
Stockholm universitet
Stockholm University Student Union
Stockholms dramatiska högskola
Student Göteborg
Stockholm universitet
Student på Tekniska högskolan vid Linköpings universitet
studentkåren i Skövde
Sweden Expats
Tekniska Högskolan i Jönköping (JTH)
Tekniska Högskolans Studentkår, THS
Thai Students in Sweden
The Thai In Sweden Society - ประเทศไทย
Unionen
WebBanThai
Willys
Appendix C: Survey questions

Master thesis survey on VoIP branding, KTH

Hi,

My name is Kunthika Macharoensak and I am working on my master thesis on branding within the VoIP telecom sector at the department of Industrial Economics and Management at the Royal Institute of Technology in Stockholm. This thesis aims to bridge the gap between consumer's viewpoint and the business offerings.

I am thankful to be able to send this survey to you and I hope you are interested in this topic and would have time for it. The survey contains questions about the new international calling services and those that you are aware of. And it takes about 5-7 minutes.

Thank you very much in advance for your kind participation and patience.

Best regards,
Kunthika Macharoensak
Master thesis survey on VoIP branding, KTH

About You

1. What is your nationality?

2. In what country do you currently live?

3. You are:
   - □ 21 and under
   - □ 22 to 34
   - □ 35 to 44
   - □ 45 to 54
   - □ 55 to 64
   - □ 65 and above

4. You are:
   - □ Student
   - □ Employed
   - □ Other

5. What is your highest completed level of education?
   - □ High school
   - □ Vocational school
   - □ Bachelor degree
   - □ Master degree
   - □ Phd

6. Are you male or female?
   - □ Male
   - □ Female
You and Your International Calls

7. Do you make international call mostly using:
   - [ ] a mobile app
   - [ ] from my PC
   - [ ] using my operator
   - [ ] using a special SIM card
   - [ ] calling card

8. In a typical month, how often do you make international calls?
   - [ ] more than 10 times
   - [ ] between 5-10 times
   - [ ] less than 5 times

9. How are your calls usually received on the other end?
   - [ ] through a mobile app
   - [ ] on a PC
   - [ ] on a landline or mobile using a normal operator

10. Do you use different calling methods for different contacts?
    - [ ] Yes
    - [ ] No

11. Which countries are your top international call destinations?
    1.
    2.
    3.
Your Awareness

**12. Please type in the name of the international calling solutions that you are aware of**

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Your Awareness

**13. Which of the following cheap/free international calling service are you aware of?**

- [ ] Rebtel
- [ ] Skype
- [ ] Localphone
- [ ] Voplum
- [ ] Lebara
- [ ] JaJah
- [ ] Lycamobile
- [ ] GoogleTalk
- [ ] Viber

**14. Which of the following cheap/free international calling service are you using?**

- [ ] Rebtel
- [ ] Skype
- [ ] Localphone
- [ ] Voplum
- [ ] Lebara
- [ ] JaJah
- [ ] Lycamobile
- [ ] GoogleTalk
- [ ] Viber
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Your Preferences

15. Which of brand names, slogans and logos below give you the impression of a brand that is:

- Cheapest
- Best value for money
- Innovative
- Good Quality
- Most appealing to you

16. The brand you chose in the latest box was most appealing to you because:

- You like the name
- You like the logo
- You like the slogan
- All of the above
- Other (please specify)

17. Please choose the 3 most influential factors for you in choosing the international call services.

- Cheapest
- Good price
- Customer service
- Provide rates in your local currency
- My relatives/friends recommended it
- Promotion for sign up
- Users get a bonus for every friend that they refer
- Website in your local language
- You can read about the company and its people
- Online advertisement
- Ranking on Search engine

18. Which products description sounds most appealing to you?

- Lycamobile, Cheap international calls, Best international SIM card
- Vopium - Up to 94% discount on calls abroad
- JAJAH IP Telephony Platform / Low-Cost International Calls
- Rebtel - Cheap Calls - International calls at local rates
- Localphone Cheap International Calls
19. If you would call to a Thai mobile from Sweden, which service would you prefer?

- Rebtel from mobile app/PC
- Skype from mobile app/PC
- Lycamobile with a SIM card
- Viber from mobile app
- Localphone from mobile app/PC
- Vopium from mobile app/PC
- Lebara with a SIM card

20. If you would call to a Thai mobile number from Sweden, which service would you prefer?

- Rebtel - free among Rebtel users and 0.20 SEK/min to mobile number
- Skype - free among Skype users and 1.05 SEK/min to mobile number
- Lycamobile - 0.69 SEK/min to mobile number
- Viber - free among Viber users, not available to mobile number
- Localphone - free among Localphone users and 0.16 SEK/min to mobile number
- Vopium - free among Vopium users and 0.25 SEK/min to mobile number
- Lebara - 0.49 SEK/min to mobile number

21. If you are not using your selected service above, are you interested in acquiring it?

- Yes
- No

why/why not? please specify.

22. To call to international landline, how much less in percent does a new service need to offer, comparing with your existing product, for you to switch?

- cost at least 50% less than my current product
- 25-50% less
- 10-25% less
- less than 10%
- Satisfied with existing product, price is not an issue.
About Rebtel

*23. Which words came first to your mind when you heard of Rebtel?

*24. To what extent do you feel the following characteristics are descriptive of Rebtel based on brand name, logo and slogan?

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*25. If Rebtel would be a car, what car brand would it be?

*26. Rebtel resembles the above car brand because of which following factor?

- Quality
- Design
- Price

Other (please specify)

*27. Which collaboration would you prefer Rebtel to pair up with? (please specify 2 choices)

- Rebtel & Student Discount Card
- Rebtel & Red Cross
- Rebtel as a Swedish company
- Rebtel & Job fair
- Rebtel & Sport event
- Rebtel & Festival
- Rebtel & Vogue subscribers
- Rebtel & Money Transfer

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28. How did you know about Rebtel?

- Digital banners
- Google search
- Friends

Other (please specify)

(Please answer next section if you have used Rebtel service. Otherwise, you can proceed with Next and Done. :) )
You and Rebtel Service

Please continue this section, if you have used Rebtel.

29. Rebtel service met my expectation during the last use experience.
   - Not at all
   - To some extent
   - Very satisfied

30. Do you use Rebtel service to call:
   - another Rebtel user
   - international landline/mobile

31. Would you use Rebtel again on your next international call?
   - Yes
   - No

32. Would you recommend Rebtel service to others?

33. Why would or wouldn’t you recommend Rebtel?

34. Rebtel is
   - The only international calling product I use
   - One of three products I use
   - One of the two products I use
   - One of more than three products I use

35. To what extent do you feel the following characteristics are descriptive of Rebtel, based on your user experience?

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Thank you very much for your kind participation. :)

Best regards,

Kunthika Macharonsak
Appendix D: A Brand Personality Scale (BPS): The Big Five

Sincerity (Campbell’s, Hallmark, Kodak)
- **Down-To-Earth:** family-oriented, small-town, conventional, clue-collar, all-American
- **Honest:** Sincere, real, ethical, thoughtful, caring
- **Wholesome:** Original, genuine, ageless, classic, old-fashioned
- **Cheerful:** Sentimental, friendly, warm, happy

Excitement (Porsche, Absolut, Benetton)
- **Daring:** trendy, exciting, off-beat, flashy, provocative
- **Spirited:** cool, young, lively, outgoing, adventurous
- **Imaginative:** unique, humorous, surprising, artistic, fun
- **Up-To-Date:** independent, contemporary, innovative, aggressive

Competence (Amex, CNN, IBM)
- **Reliable:** hardworking, secure, efficient, trustworthy, careful
- **Intelligent:** technical, corporate, serious
- **Successful:** leader, confident, influential

Sophistication (Lexus, Mercedes, Revlon)
- **Upper Class:** glamour. Good-looking, pretentious, sophisticated
- **Charming:** feminine, smooth, sexy, genteel

Ruggedness (Levi’s, Marlboro, Nike)
- **Outdoorsy:** masculine, Western, active, athletic
- **Tough:** rugged, strong, no-nonsense

Appendix E: MVNO - Mobile Virtual Network Operator

MVNOs, Mobile Virtual Network Operators purchase minutes of use (MOUs) from traditional mobile operators and offer a mobile communication service to their own customer base. Often MVNOs are not telecommunications companies, they can be retailers, manufacturers or other organizations that can build a brand and acquire a customer base. MVNOs create their own name and brand identity for the communication services offered. The number of MVNOs is increasing; in 2006 there were 200 MVNOs while in 2011 there were 645 MVNOs owned by 515 companies. An MVNO requires no investment in a wireless network or mobile communication structure. This is a feasible market with opportunities for revenue streams and further offerings of add-value service. The key for a successful MVNO is the customer service. In setting up an MVNO, a company needs to choose a communication partner wisely by focusing on the service area they would like to offer such as regional, national or international. (MarathonTelecom, 2011)