

# Brand Building in Mexican Small Business: Empirical Evidence

Raymundo Juárez-Del Toro<sup>1</sup>, Víctor Manuel Molina-Morejón<sup>1</sup> & Gonzalo Maldonado-Guzmán<sup>2</sup>

<sup>1</sup> Facultad de Contaduría y Administración, Universidad Autónoma de Coahuila Unidad Torreón, Coahuila, México

<sup>2</sup> Departamento de Mercadotecnia, Centro de Ciencias Económicas y Administrativas, Universidad Autónoma de Aguascalientes, Aguascalientes, México

Correspondence: Gonzalo Maldonado-Guzmán, Departamento de Mercadotecnia, Centro de Ciencias Económicas y Administrativas, Universidad Autónoma de Aguascalientes. Av. Universidad No. 940, Aguascalientes, México. E-mail: gonzalo.maldonado@edu.uaa.mx

Received: February 26, 2024

Accepted: April 24, 2024

Online Published: May 7, 2024

doi:10.5539/ibr.v17n3p29

URL: <https://doi.org/10.5539/ibr.v17n3p29>

## Abstract

Brand building is a relatively recent construct in marketing literature and is considered one of the essential factors in small and medium-sized businesses (SMEs), which improves business results and best SMEs market performance. Furthermore, the few studies published on brand building have mostly focused on large companies, and only a few studies have focused on SMEs. Therefore, using a sample of 300 small companies and applying a questionnaire to SMEs managers during February to April 2020, and using a structural equation model, the objective of this empirical study is, in one hand, the analysis of the effects of brand building on SMEs and, on other hand, offer a guide so that SMEs in Mexico can start building their brand. The results obtained show that goals and benefits, resources, internal cooperation, and external cooperation have significant positive effects on the construction of the brand of SMEs.

**Keywords:** Brand, brand building, marketing, small business

## 1. Introduction

In a society increasingly accustomed to purchasing products using digital technologies in an increasingly homogenized global market, the brand authenticity of products plays a crucial role (Audrezet *et al.*, 2020). Therefore, consumers are in a constant search for brands of goods and services in the global market (Deloitte, 2021). In the literature, it is commonly considered that the brand is one of the most important marketing tools for companies, which allows them to compete in globalized markets (Hasni *et al.*, 2018), as well as in creating competitive advantages (Guenther & Guenther, 2019). Therefore, the brand allows firm, particularly small and medium-sized firms (SMEs), to create industrial barriers against their main competitors, as well as improve industrial competitiveness and financial performance (Anees-Ur-Rehman *et al.*, 2018).

Furthermore, companies' efforts to build a brand that facilitates the achievement of their objectives should be part of their daily activities (Fernández-Ruano *et al.*, 2022), essentially, because the build solid brand is careful as an excellent indicator of a sustainable organization (Wei, 2022), and can be used from a multidimensional perspective by firms (Hasni *et al.*, 2018). Therefore, brand building strategy can act as a driver for creating a balance between companies' brands (Lin & Siu, 2020). However, brand building is one of the topics that has been rarely analyzed and discussed in marketing literature (Wei, 2022), and there are still relatively few studies published by researchers and academics that analyze brand building in SMEs (Lin *et al.*, 2019).

However, despite the fact that brand construction is assuming a fundamental role in brand management (Deloitte, 2021), and that the brand is “*the rarest and most coveted asset in the contemporary business landscape*” (Fournier & Eckhardt, 2019, p. 10), there is not enough theoretical and empirical evidence to demonstrate the effects of brand building on SMEs, particularly in emerging economy countries (Yieh *et al.*, 2018), whereby the analysis of brand building in SMEs is open to debate (Lin *et al.*, 2019). Also, it is necessary for researchers to focus their studies on providing robust empirical evidence on brand building in SMEs (Lin *et al.*, 2019), particularly because if SMEs have the capacity to developing a strong brand.

In this sense, the objective of this study is the analysis and discussion of brand building in SMEs in an emerging economy country. To achieve this objective, an empirical study was carried out in Mexican SMEs, using a

sample of 300 firms, estimating the research model through *Covariance-Based Structural Equation Modeling* (CB-SEM) statistical technique (Hair *et al.*, 2019), with the support of EQS 6.4 software. It is important to establish that it is essential to analyze SMEs for two basic reasons, on one hand, because they are the largest number of existing companies in Mexico and, on other hand, because they contribute more than 50% of GDP and employment at the national level (INEGI, 2023).

Furthermore, given the lack of theoretical and empirical knowledge in the marketing literature on the importance of brand building in SMEs (Wei, 2022), the main contribution of this study is the provision of robust empirical evidence of brand building of products or services in SMEs in an emerging economy country.

## 2. Literature Review

In the literature it has been established that the central objective of any organization is the construction of long-term relationships with internal and external collaborators (Alreck & Settle, 1999), for which firms carry out various efforts and activities to communicate to their collaborators the importance of building your brand for creating competitive advantages (Wei, 2022). In this sense, Vallaster and Lindgreen (2011) considered that managers, employees, and customers of companies are the three fundamental actors on which the brand of their products or services will have to be built, while Alreck and Settle (1999) established that firms require the implementation of an effective plan of the activities involved in brand building of their products or services, particularly because comprehensive internal work is the basis for the creation of a successful brand.

King and Grace (2006) proposed three types of activities that should be planned in brand building strategy of companies: *improving service quality*, *consumer satisfaction*, and *brand loyalty*, which are considered by various researchers and academics as essential components to frame employee behaviors in brand building process (e.g. Vallaster & Lindgreen, 2011; Wei, 2022). In contrast, King and Grace (2009) proposed four basic aspects that should be considered for building a successful brand: *information generation*, *knowledge dissemination*, *openness*, and *human factor*. The generation of information allows companies to evaluate the needs and desires of employees in brand building, while dissemination of knowledge allows the creation of employee behaviors consistent with the brand (Boukis & Christodoulides, 2020).

Openness allows companies to create two-way responsibility with all their employees, to generate a positive climate in the process of brand building (King & Grace, 2006), while the human factor must be considered and treated with respect by companies, since employees play an essential role in brand building (Wei, 2022). Likewise, Quarantino and Mazzei (2018) considered that effective management practices are the first step for firms to generate consistent employee behaviors with brand building of their products or services. Finally, Foroudi (2020) considered that companies today are trying to create competitive advantages by a strong brand building, which is why it is possible to establish that brand building companies' products or services should be considered as an essential strategy by organizations (Lin *et al.*, 2019).

In conclusion, three types of strategies can be found in brand building marketing literature of firms, which are the corporate brand building, brand building for a particular product and brand building for a group of products or services (Odoom *et al.*, 2017; Lin *et al.*, 2019). Corporate brand building generally operates at a meta level as a system that unifies all a company's products or services and is considered as a simplification of a company's total offering (Chang *et al.*, 2015), particularly because it integrates both the strategic vision of the company (de Chernatony, 2001), and the vision and culture of the organization (Juntunen *et al.*, 2010). This type of brand building strategy is frequently adopted by large service companies (de Chernatony *et al.*, 2006), and by some retail SMEs (Mitchell *et al.*, 2015).

The purpose of brand building for a specific product is to create a distinctive identity of a product, with respect to competitors that identify a particular company (Chang *et al.*, 2015). This type of brand building strategy is generally applied more in the consumer market by SMEs and is less popular among large companies (Baumgarth, 2010). However, a mixed brand strategy that encompasses corporate and product brands can help companies better plan brand building as well as increase their sales (Mark & Key, 2006). Finally, brand building for a products group or services is commonly adopted by large companies due to the greater value it brings to the company's brand (Lin *et al.*, 2019). This type of brand building strategy is often very successful through the adoption of a pull strategy by organizations (Helm & Özergin, 2015).

However, in the marketing literature there are relatively few studies that have been oriented towards the analysis of brand building in SMEs (Centeno *et al.*, 2013), particularly because the majority of researchers and academics consider that both large companies and SMEs can analyze brand building in a similar way, even though it has been shown in the literature that the resources and context in which SMEs operate and develop are totally different from large firms (Centeno *et al.*, 2013). For this reason, Abimbola and Vallaster (2007) considered that

SMEs have a very flexible structure and processes that integrate various parts of the organization in the process of brand building of their products or services, making their adoption more feasible but it is necessary to develop a scale to be able to measure the effects on SMEs.

Abimbola and Kocak (2007) demonstrated that SMEs are the most integrative companies, which is why brand building can be developed through different work teams, both inside and outside the organization. On the contrary, Krake (2005) and Ojasalo *et al.* (2008) considered that brand building in SMEs must be implemented by the manager himself, or by a limited team of company personnel that works collaboratively both inside and outside the organization itself. This is totally feasible to implement in SMEs, because managers are commonly characterized not only because they themselves are the owners of the company, but also because the organizational culture revolves around their beliefs and values, and the identity of the organization itself invariably it is developed around goals, benefits, resources, and internal and external collaboration, in other words, through the personality of the owner (Rode & Vallaster, 2005).

To facilitate the measurement of the effects that brand building has on firms, Aaker and Joachimsthaler (2007) proposed a model for brand building that integrates five dimensions: (1) brand portfolio; (2) portfolio roles; (3) product/market context roles; (4) brand portfolio structure; and (5) graphic images in the portfolio. However, this model presents a certain gap, which is the lack of interaction with the consumer, through integrated marketing communication between the five dimensions (Oliveira & Abreu, 2020). Another brand construction model is the one presented by Keller (2013), which is represented through a pyramid called Customer-Based Brand Equity (CBBE), so that consumers keep in mind the meaning of the brand, its positioning and identity, which will allow companies to establish long-term relationships with their consumers and meet their expectations.

Furthermore, Erdem and Swait (2014) demonstrated that the measurement instruments of CBBE model work with consumers and evaluate the brand of SMEs, but the result of these evaluations is the brand value, and that is another level of analysis, while for Foxall (2015) the definition of added value does not make clear what the concept of brand value means. A third brand building model is the proposed by Milan *et al.* (2017), who presented a theoretical model in relation to perceptions of price levels, value, and affective and normative commitment. The objective of this model is the establishment of greater involvement of the company with the consumer in a participatory, dialogic, and integrated way, with the purpose of explaining each of the pillars of the brand building model, according to its characteristics, within the proposed model.

A fourth brand building model is the presented by Porto (2018), which is an improvement of Keller's (2013) CBBE measurement model for products and services, considering competing brands at the brand analysis level, and allows us to evaluate the extent to which a brand achieves greater equity than another brand in the same category. A more recent model of brand building is the proposed by Oliveira and Abreu (2020), which is made up of four dimensions: (1) integrated marketing communication; (2) brand identity; (3) benefits of the brand to the consumer; and (4) brand sustainability. This model enables an interdisciplinary interaction with the consumer in a participatory manner and establishes harmony with the four pillars of brand building model, thereby generating greater consumer participation.

However, these five brand building models were designed to be applied more in large companies than in SMEs, and their application in SMEs is too complicated, which is why Ojasalo *et al.* (2008) developed a model for measuring brand building in SMEs, based on the studies developed by Wong and Merrilees (2005), Mowle and Merrilees (2005), and Krake (2005) adding to the traditional activities of brand building (external collaboration), the internal processes of the organization such as goals and benefits, resources and internal collaboration. Therefore, this consideration of internal processes allows us to analyze the internal reality of the various forms of organization of SMEs, which are practically both the basis of external success and of the brand building process.

The goals for SME brand building should reflect the basic characteristics related to the product such as reliability, ease of use or cost-effective, as well as create an image of the company and communicate it to its internal and external customers, the high quality of the products or services (Ojasalo *et al.*, 2008). However, it is common to find SMEs that built their brand without establishing any goal, which is understandable if we take into account the universality of the objectives and goals of the different companies, thereby generating that the very identity of the SMEs does not be recognized, which is why it is essential that SMEs consider their internal aspects to brand building of their products or services, that is, the need to create a common culture in the organization, which would facilitate a strong brand building and would generate competitive advantages (Ojasalo *et al.*, 2008).

Additionally, the benefits associated with brand building of SMEs' products or services commonly revolve around the usefulness of a solid brand that would allow them to gain new customers, because the company can focus on the sale of its products or services, instead of first selling the company and its personnel (Ojasalo *et al.*,

2008). Therefore, as usually happens in most SMEs, brand building for their products or services requires commitments from managers and all the organization's staff that are strongly intertwined, to obtain the greatest number of benefits possible, the which are generally not easy to adopt and implement, particularly due to the lack of technical, human, and financial resources (Ojasalo *et al.*, 2008).

Even though marketing literature recognizes the importance of brand building of products or services or the company itself, generally in the context of SMEs, the effort in brand building managing is too much limited (Ojasalo *et al.*, 2008). Furthermore, various SMEs consider that brand building is always a form of brand creation for consumer goods, which requires a massive and continuous investment of resources for marketing communication in various media to reach the message to consumers (Ojasalo *et al.*, 2008), which is why brand building of their services is not usually a top priority task. However, in the literature it has been shown that brand building is not only for products but also for services.

Various researchers, academics and industry professionals have recognized the importance of the internal aspects of companies, as well as the fundamental role they have in brand building of products, services, and companies (e.g. Milan *et al.*, 2017; Porto, 2018; Oliveira & Abreu, 2020), so it is not surprising that cooperative relationships within companies are recognized as an essential factor that has a strong influence on brand building of SMEs (Ojasalo *et al.*, 2008). Therefore, the participation of managers as well as staff of SMEs is crucial in the process of brand building of products or services, since empirical evidence has been provided that demonstrates that SMEs that included and recognized the participation and commitment of the organization's staff in carrying out activities to brand building, had better results and clear competitive advantages.

In marketing literature it has been shown that the external aspects of companies are essential in brand building of the companies' products or services (e.g. Krake, 2005; Porto, 2018; Oliveira & Abreu, 2020), particularly because it is essential to support the activities of external collaborators participating in the supply chain, so that the brand building not only goes on the right path but also to achieve better benefits (Ojasalo *et al.*, 2008). In addition, external collaborators offer support to SMEs in brand building by providing information on planned activities and product launch processes, as it strengthens the SMEs' brand and, especially, their reliability in the eyes of clients and consumers (Ojasalo *et al.*, 2008).

H1: Goals and benefits have a positive impact on brand building.

H2: Resources have a positive impact on brand building.

H3: Internal cooperation has a positive impact on brand building.

H4: External cooperation has a positive impact on brand building.

### 3. Methodology

To respond to four established hypotheses, an empirical study was carried out in Aguascalientes SMEs (Mexico), considering the business directory of the Mexican Business Information System of Aguascalientes state, which had a record as of December 30, 2019, of 1,227 companies with 11 to 250 employees. In addition, a survey was designed to collect the information, which was delivered to the managers of the firms, who distributed it among marketing area personnel for completion. The process for calculating the sample consisted of using an error of 5% and a reliability level of 95%, applied to a population of 1,227 companies and obtaining a total sample of 300 firms. The procedure for selecting the sample consisted of use of simple random sampling, selecting the 300 companies from the business directory, and was applied between the months of February to April 2020.

Furthermore, to measure brand building the scale of Ojasalo *et al.* (2008) was considered, who measured brand building through four factors: *Goals and Benefits*, measured using a 4-items; *Resources* measured through a 4-items; *Internal Cooperation* measured through a 4-items and *External Cooperation* measured using a 4-items. All items of the four factors were measured through a five-point Likert-type scale with 1 = completely disagree to 5 = completely agree as limits. As a previous step to application of the 300 surveys to companies, a pretest of the survey was carried out which consisted of the direct application of the survey to 10 firms to verify its suitability, making only small changes in the wording of some questions.

Once the survey pretest was completed, 500 surveys were sent to be applied to managers of the selected firms, obtaining only 300 validated surveys and a response rate of 60%. Furthermore, the use of CB-SEM statistical technique was considered essential, on one hand, because it is the technique that facilitates the application and analysis of theoretical models and, on other hand, because it is the recommended technique in the measurement of few theoretical models studied (Hair *et al.*, 2019). Likewise, a Confirmatory Factor Analysis (CFA) was applied to evaluate the reliability and validity of brand building scale, using the maximum likelihood method and EQS 6.2

software (Bentler, 2005). Reliability was measured using Cronbach's Alpha and Composite Reliability Index (CFI) (Bagozzi & Yi, 1988).

**4. Results**

To respond the hypotheses, a CB-SEM was applied with the EQS 6.2 software (Bentler, 2005). The results obtained are presented in Table 1 and show that the analyzed model has a good fit data ( $S-BX^2 = 938.116$ ;  $df = 98$ ;  $p = 0.000$ ;  $NFI = 0.809$ ;  $NNFI = 0.868$ ;  $CFI = 0.929$ ;  $RMSEA = 0.079$ ), and Cronbach's Alpha and CFI values greater than 0.7, which indicates the existence of reliability in brand building scale (Hair *et al.*, 2010). Table 1 indicate that all the items of the related factors are significant ( $p < 0.01$ ), the value of all the standardized factor loadings is greater than 0.6 (Bagozzi & Yi, 1988), and the Extracted Variance Index (EVI) of each pair of constructs of the theoretical model of brand building has a value greater than 0.5 (Fornell & Larcker, 1981), which shows that the theoretical model has a good fit data, evidenced with this the existence of convergent validity.

Table 1. Internal consistency and convergent validity of the theoretical model

Variable	Indicator	Factor Loading	Robust t-value	Cronbach's alpha	CFI	EVI
Goals and Benefits	MB1	0.953***	1.000 <sup>a</sup>	0.961	0.962	0.862
	MB2	0.950***	21.665			
	MB3	0.894***	15.548			
	MB4	0.916***	17.088			
Resources	RC1	0.901***	1.000 <sup>a</sup>	0.933	0.934	0.780
	RC2	0.936***	26.335			
	RC3	0.896***	23.721			
	RC4	0.792***	18.318			
Internal Cooperation	CI1	0.834***	1.000 <sup>a</sup>	0.885	0.886	0.661
	CI2	0.835***	16.832			
	CI3	0.854***	17.363			
	CI4	0.722***	13.799			
External Cooperation	CE1	0.742***	1.000 <sup>a</sup>	0.894	0.895	0.682
	CE2	0.796***	13.906			
	CE3	0.932***	16.140			
	CE4	0.820***	14.366			

$S-BX^2$  ( $df = 98$ ) = 938.116;  $p < 0.000$ ;  $NFI = 0.809$ ;  $NNFI = 0.868$ ;  $CFI = 0.929$ ;  $RMSEA = 0.079$

<sup>a</sup> = Parameters constrained to this value in the identification process

\*\*\* =  $p < 0.01$

Likewise, the discriminant validity of the theoretical model of brand building was measured through two tests (Table 2). The confidence interval test (Anderson & Gerbing, 1988), which establishes that with a 95% confidence interval, none of the individual elements of the latent factors of the correlation matrix have the value 1. The confidence interval test of the variance extracted (Fornell & Larcker, 1981), which establishes that the variance extracted from each pair of constructs is lower than its corresponding EVI. Thus, according to the results obtained from the application of both tests, it is possible to conclude that both tests demonstrate sufficient evidence of the existence of discriminant validity. Finally, Table 3 shows in greater detail the results obtained from the application of the CB-SEM.

Table 2. Discriminant validity of the theoretical model

Variables	Goals and Benefits	Resources	Internal Cooperation	External Cooperation
Goals and Benefits	<b>0.862</b>	0.073	0.076	0.072
Resources	0.157 – 0.385	<b>0.780</b>	0.202	0.110
Internal Cooperation	0.171 – 0.379	0.343 – 0.555	<b>0.661</b>	0.096
External Cooperation	0.166 – 0.370	0.238 – 0.428	0.222 – 0.398	<b>0.682</b>

The diagonal represents the Variance Extracted Index (IVE), while above the diagonal the part of the variance (the correlation to the table) is shown. Below the diagonal, the estimate of the correlation of the factors is presented with a 95% confidence interval.

Table 3. Results of the structural equation model

Hypothesis	Structural Relationship	Standardized Coefficient	Robust t-value
<b>H1:</b> Goals and benefits have a positive impact on brand building.	Goals and B. → Brand Building	0.497***	13.053
<b>H2:</b> Resources have a positive impact on brand building.	Resources → Brand Building	0.667***	21.673
<b>H3:</b> Internal cooperation has a positive impact on brand building.	Internal C. → Brand Building	0.713***	22.552
<b>H4:</b> External cooperation has a positive impact on brand building.	External C. → Brand Building	0.685***	21.329

$S-BX^2$  (df = 93) = 780.382;  $p < 0.000$ ; NFI = 0.814; NNFI = 0.858; CFI = 0.978; RMSEA = 0.079

\*\*\* =  $P < 0.01$

Table 3 shows the results obtained from hypothesis **H1** ( $\beta = 0.651$ ,  $p < 0.01$ ), and indicate that goals and benefits have significant positive effects on SMEs brand building. Regarding hypothesis **H2** ( $\beta = 0.651$ ,  $p < 0.01$ ), the results indicate that resources have a significant positive impact on brand building. Regarding hypothesis **H3** ( $\beta = 0.651$ ,  $p < 0.01$ ), the results indicate that internal cooperation has a significant positive impact on brand building. Finally, with respect to hypothesis **H4** ( $\beta = 0.651$ ,  $p < 0.01$ ), the results indicate that external cooperation has a significant positive impact on SMEs brand building. Therefore, it is possible to conclude that these four factors are good indicators for measuring brand building of SMEs' products or services.

## 5. Discussion

The results obtained in this paper provide robust empirical evidence that supports our argument that goals and benefits have a positive impact on brand building of SMEs in Mexico, these results being in line with those obtained by Mowle and Merrilees (2005), Krake (2005), and Ojasalo *et al.* (2008). One of the main reasons that could explain this positive effect is that SMEs managers are increasingly convinced of the benefits that building a strong brand that distinguishes its products or services from the rest of the competition brings to the organization, which could increase not only your market presence, but also your financial performance.

The results obtained also support our argument that resources have a significant positive impact on brand building of SMEs in Mexico, these results being similar to those found by Wong and Merrilees (2005), and Ojasalo *et al.* (2008). The main reason that could explain this positive effect is the collaboration that SMEs have with their main stakeholders, who not only share precise information about the tastes and needs of consumers, but also resources that are essential for a strong brand building of the organizations.

These same results support our argument that internal cooperation has a significant positive impact on brand building of SMEs in Mexico, these results being in line with those found by Ojasalo *et al.* (2008), Milan *et al.* (2017), and Porto (2018). One of the main reasons that could explain this positive result is the change in an organizational culture where all departments or functional areas of the SMEs must cooperate to put consumers at the center of the organization, as well as share information to generate a strong brand building.

Finally, the results obtained also support our argument that external cooperation has a significant positive effect on brand building of SMEs in Mexico, these results being similar to those found by Wong and Merrilees (2005), Ojasalo *et al.* (2008), and Oliveira and Abreu (2020). The main reason that could explain this positive effect is the close collaboration that SMEs have with their main stakeholders, because it is precisely the stakeholders who have not only direct contact with clients and consumers, but also information about their needs and preferences that consumers demand.

### 5.1 Practical Implications

The data estimated in this paper have different practical implications for managers, companies and public administration, the first of which is that commonly SMEs in emerging economy countries, as is the case of Mexico, do not carry out any process in brand building of their products or services, they simply take a name and colors for their brand, which generates confusion among consumers because the companies that are their main competitors also do the same, and even take the same colors and similar names, which is why SMEs have to modify their processes in the creation and development of their brands, so that their consumers can distinguish their brand without any problem from all those existing on the market.

A second implication derived from these results is that SMEs have to consider brand building as part of their

day-to-day activities, and not simply as an activity of marketing or management personnel, in addition to the fact that brand building of the brand demands that SMEs make constant changes inside and outside the organization, so that both the workers and employees of the company and its main business partners become involved in the activities of brand building, which will allow generating a synergy and a higher level of collaboration not only between all departments or functional areas of SMEs, but also between the company and its main business partners, thereby guaranteeing better business results.

A third implication of these same results is that the managers and/or owners of SMEs will have to generate and implement all those necessary training programs that are related to brand building of their products or services, so that both managers, as well as the workers and employees of the SME, have the necessary knowledge and skills to adequately and efficiently develop the brand building activities, otherwise the processes required for good brand building will not be followed appropriately products or services of SMEs, which can generate not only not having the expected results, but also frustration among all the organization's staff.

Finally, a fourth implication of the results obtained is that the managers and/or owners of SMEs have to generate an organizational climate that favors not only the adoption but also the development of all the activities required to brand building in such a way that it facilitates both workers and employees of the organization to present their proposals or express their opinions regarding the brand building of their products or services. In addition, teamwork should be encouraged among all SME staff, since this could generate a higher level of exchange of knowledge, skills and experience between workers and employees, and between them and the staff of the companies in the country's main commercial partners of the SME.

## 6. Conclusions

The results obtained in this empirical study allow us to conclude two main aspects. Firstly, brand building of the products or services of SMEs can be measured without any problem through four factors: goals and benefits, resources, internal cooperation, and external cooperation. These results are similar to Wong and Merrilees (2005), and Ojasalo *et al.* (2008). Therefore, it is possible to conclude that a strong brand building of SMEs generates various benefits, since if consumers perceive a strong brand, they will prefer to acquire the brand of those products than those of company competition, but for this, SMEs will require the commitment and cooperation of both the organization's staff and stakeholders, because precisely these will be the main drivers of the brand.

Secondly, the managers of SMEs must be clear that brand building of their products or services will require the registration of its intellectual property rights, otherwise the effort and resources that are used in brand building can be diluted. These results are similar to Ojasalo *et al.* (2008), and Oliveira and Abreu (2020). Therefore, it is possible to conclude that brand building entails the registration of its intellectual property, which should generate a change in the paradigm of SME managers, since currently the majority of SMEs do not they have a registration of the brands of their products or services, which not only means that their main competitors can imitate their products or services, but also the survival of the company itself.

Additionally, this study has various limitations that should be considered before interpreting the results obtained, the first is related to the sample since only SMEs that had between 11 and 250 employees were considered, which is why in future research it will be necessary to also consider those SMEs that have less than 11 employees to corroborate the results obtained. A second limitation is that the survey for collecting information was applied exclusively to SMEs in Aguascalientes State (Mexico), so in future research it will be necessary to apply the same survey to SMEs in other states of the country, in its entirety and even in other Latin American countries to determine if the results obtained are similar to those obtained in this empirical study.

A third limitation is that in this empirical study only qualitative variables were considered for measuring brand building, which is why in future studies it will be necessary to consider hard data or quantitative variables to corroborate the existence or not of significant differences in the results obtained. A fourth limitation is that the survey that was used to collect the information was only applied to the managers and/or owners of the SMEs, which assumed that they had extensive knowledge of brand building of their products. or services, which is why in future studies it will be necessary to apply this same survey to all the organization's personnel to corroborate the results obtained.

## Acknowledgments

We greatly appreciate the valuable contributions of our business community advisory committee members. We would also like to thank CONAHCyT Foundation and every team member who took the time to participate in this study.

## Authors contributions

Dr. Gonzalo Maldonado-Guzmán and Dr. Víctor Manuel Molina-Morejón were responsible for study design and revising. Dr. Raymundo Juárez-Del Toro was responsible for data collection and data analysis. All authors read and approved the final manuscript. In this paragraph, also explain any special agreements concerning authorship, such as if authors contributed equally to the study.

#### **Competing interests**

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

#### **Informed consent**

Obtained.

#### **Ethics approval**

The Publication Ethics Committee of the Canadian Center of Science and Education.

The journal's policies adhere to the Core Practices established by the Committee on Publication Ethics (COPE).

#### **Provenance and peer review**

Not commissioned, externally double-blind peer reviewed.

#### **Data availability statement**

The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.

#### **Data sharing statement**

No additional data are available.

#### **Open access**

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>).

#### **Copyrights**

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

#### **References**

- Aaker, D. A., & Joachimsthaler, E. (2007). *Cómo Construir Marcas Lúteras*. Porto Alegre: Bookman.
- Abimbola, T., & Kocak, A. (2007). Brand, organizational identity, and reputation: SMEs as expressive organizations: A resourced-based perspective. *Qualitative Market Research: An International Journal*, 10(1), 416-430. <https://doi.org/10.1108/13522750710819748>
- Abimbola, T., & Vallaster, C. (2007). Brand, organizational identity, and reputation in SMEs: An overview. *Qualitative Market Research: An International Journal*, 10(1), 341-348. <https://doi.org/10.1108/13522750710819685>
- Alreck, P. L., & Settle, R. B. (1999). Strategies for building consumer brand preference. *Journal of Production and Brand Management*, 8(1), 130-144. <https://doi.org/10.1108/10610429910266986>
- Anderson, J., & Gerbing, D. (1988). Structural equation modeling in practice: A review and recommended two-step approach. *Psychological Bulletin*, 103(1), 411-423. <https://doi.org/10.1037/0033-2909.103.3.411>
- Anees-Ur-Rehman, M., Wong, H., Sultan, P., & Merrilees, B. (2018). How brand-oriented strategy affects the financial performance of B2B SMEs. *Journal of Business and Industrial Marketing*, 33(3), 303-315. <https://doi.org/10.1108/JBIM-10-2016-0237>
- Audrezet, A., De Kerviler, G., & Moulard, J. G. (2020). Authenticity under threat: When social media influencers need to go beyond self-presentation. *Journal of Business Research*, 117(1), 557-569. <https://doi.org/10.1016/j.jbusres.2018.07.008>
- Bagozzi, R., & Yi, Y. (1988). On the evaluation of structural equation models. *Journal of the Academy of Marketing Science*, 16(1), 74-94. <https://doi.org/10.1007/BF02723327>
- Baumgarth, C. (2010). Living the brand: Brand orientation in the business-to-business sector. *European Journal of Marketing*, 44(5), 653-671. <https://doi.org/10.1108/03090561011032315>
- Bentler, P. (2005). *EQS 6 Structural Equations Program Manual*. California: Multivariate Software.



- Boukis, A., & Christodoulides, G. (2020). Investigating key antecedents and outcomes of employee-based brand equity. *European Management Review*, 17(1), 41-55. <https://doi.org/10.1111/emre.12327>
- Centeno, E., Hart, S., & Dinnie, K. (2013). The five phases of SME brand-building. *Journal of Brand Management*, 20(6), 445-457. <https://doi.org/10.1057/bm.2012.49>
- Chang, A., Chiang, H. H., & Han, T. S. (2015). Investigating the dual-route effects of corporate branding on brand equity. *Asia Pacific Management Review*, 20(3), 120-129. <https://doi.org/10.1016/j.apmr.2014.10.001>
- de Chernatony, L. (2001). A model for strategically building brands. *Journal of Brand Management*, 9(1), 32-44. <https://doi.org/10.1057/palgrave.bm.2540050>
- de Chernatony, L., Cottam, S., & Segal-Horn, S. (2006). Communicating services brands' values internally and externally. *The Service Industries Journal*, 26(8), 819-836. <https://doi.org/10.1080/02642060601011616>
- Deloitte (2021). *The strive for the authentic brand experience*. Retrieved April 3, 2024, from <https://www.deloitte.com/dam/Deloitte/de/Documnets/customer-marketing/The-strive-for-the-authentic-brand-experience.pdf>
- Erdem, T., & Swait, J. (2014). Branding and brand equity models. In Winer, R. S., & Neslin, S. A. (Eds.), *The History of Marketing Science*. Hanover, USA: World Scientific. Pp. 237-260. [https://doi.org/10.1142/9789814596480\\_0009](https://doi.org/10.1142/9789814596480_0009)
- Fernández-Ruano, M. L., Frías-Jamilena, D. M., Polo-Peña, A. I., & Peco-Torres, F. (2022). The use of gamification in environmental interpretation and its effects on customer-based destination brand equity: The moderating role of psychological distance. *Journal of Destination Marketing and Management*, 23(3), 1-12. <https://doi.org/10.1016/j.jdmm.2021.100677>
- Fornell, C., & Larcker, D. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39-50. <https://doi.org/10.1177/002224378101800104>
- Foroudi, P. (2020). Corporate brand strategy: Drives and outcomes of hotel industry's brand orientation. *International Journal of Hospitality Management*, 88(7), 1-10. <https://doi.org/10.1016/j.ijhm.2020.102519>
- Fournier, S., & Eckhardt, G. M. (2019). Putting the person back in person brands: Understanding and managing the two-bodied-brand. *Journal of Marketing Research*, 56(4), 602-619. <https://doi.org/10.1177/0022243719830654>
- Foxal, G. R. (2015). Operant behavioral economics. *Managerial and Decision Economics*, 37(4/5), 215-223. <https://doi.org/10.1002/mde.2712>
- Guenther, M., & Guenther, P. (2019). The value of branding for B2B service firms: The stakeholders perspective. *Industrial Marketing Management*, 78(1), 88-101. <https://doi.org/10.1016/j.indmarman.2017.11.013>
- Hair, F. J., Anderson, E. R., Tatham, L. R., & Black, C. W. (2010). *Multivariate Data Analysis: Global Edition*. 7<sup>th</sup> edition. Englewood Cliffs, NJ: Pearson Prentice Hall.
- Hair, J. F., Hult, T., Ringle, C., Sarstedt, M., Castillo, J., Cepeda, G., & Roldan, J. (2019). *Manual de Partial Least Squares PLS-SEM*. Madrid: OmniaScience. Retrieved from <http://hdl.handle.net/11420/5279>
- Hasni, M. J., Salo, J., Naeem, H., & Abbasi, K. S. (2018). Impact of internal branding on consumer-based brand equity with mediating effect of organizational loyalty: An empirical evidence from retail sector. *International Journal of Retail & Distribution Management*, 46(11/12), 1056-1076. <https://doi.org/10.1108/IJRDM-07-2017-0148>
- Helm, S. V., & Özergin, B. (2015). Service inside: The impact of ingredient service branding on quality perceptions and behavioral intentions. *Industrial Marketing Management*, 50(1), 142-149. <https://doi.org/10.1016/j.indmarman.2015.04.003>
- INEGI (2023). *Indicadores Sociodemográficos y Económicos*. México: Instituto Nacional de Estadística y Geografía.
- Juntunen, M., Saraniemi, S., Halttu, M., & Täähinen, J. (2010). Corporate brand building in different stages of small business growth. *Journal of Brand Management*, 18(2), 115-133. <https://doi.org/10.1057/bm.2010.34>
- Keller, K. (2013). *Strategic Brand Management: Building, Measuring, and Managerial Brand Equity* (4th ed.). New York, NY: Pearson Education.

- King, C., & Grace, D. (2006). Exploring managers' perspectives of the impact of brand management strategies on employee roles within a service firm. *Journal of Service Marketing*, 20(1), 369-380. <https://doi.org/10.1108/08876040610691266>
- King, C., & Grace, D. (2009). Employee based brand equity: A third perspective. *Service Marketing Quality*, 30(1), 122-147. <https://doi.org/10.1080/15332960802619082>
- Krake, F. (2005). Successful brand management in SMEs: A new theory and practical hints. *Journal of Product & Brand Management*, 14(2), 228-238. <https://doi.org/10.1108/10610420510609230>
- Lin, F., & Siu, W. S. (2020). Exploring brand management strategies in Chinese manufacturing industry. *Journal of Brand Management*, 27(1), 48-76. <https://doi.org/10.1057/s41262-019-00166-6>
- Lin, F., Ansell, J., Marshall, A., & Ojiako, U. (2019). Managing and building B2B SME brands: An emerging market perspective. *PSU Research Review*, 3(3), 191-214. <https://doi.org/10.1108/PRR-04-2019-0010>
- Mark, J., & Kay, M. (2006). Strong brands and corporate brands. *European Journal of Marketing*, 40(7/8), 742-760. <https://doi.org/10.1108/PRR-04-2019-0010>
- Milan, G. S., de Toni, D., de Lima, V. Z., & Eberle, L. (2017). Papel moderador da marca e mediação do valor percebido na intenção de recompra. *RAC*, 21(3), 347-372. <https://doi.org/10.1590/1982-7849rac2017160062>
- Mitchell, R., Hutchinson, K., Quinn, B., & Gilmore, A. (2015). A framework for SME retail branding. *Journal of Marketing Management*, 31(17/18), 1-18. <https://doi.org/10.1080/0267257X.2015.1063531>
- Mowle, J., & Merrilees, B. (2005). A functional and symbolic perspective to branding Australian SME wineries. *Journal of Product and Brand Management*, 14(1), 220-227. <https://doi.org/10.1108/10610420510609221>
- Odoom, R., Narteh, B., & Boateng, R. (2017). Branding in small and medium-sized enterprises (SMEs): Current issues and research avenues. *Qualitative Market Research: An International Journal*, 20(1), 68-89. <https://doi.org/10.1108/QMR-12-2015-0091>
- Ojasalo, J., Natti, S., & Olkkonen, R. (2008). Brand building in software SMEs: An empirical study. *Journal of Product and Brand Management*, 17(1), 92-107. <https://doi.org/10.1108/10610420810864702>
- Oliveira, E. R., & Abreu, N. R. (2020). The challenge of brand building: Proposal of a model. *Brazilian Journal of Marketing*, 19(2), 470-494. <https://doi.org/10.5585/remark.v19i2.17778>
- Porto, R. B. (2018). Consumer-based brand equity of products and services: Assessing a measurement model with competing brands. *Revista Brasileira de Marketing – Remark*, 17(2), 150-165. <https://doi.org/10.5585/remark.v17i2.3547>
- Quarantino, I., & Mazzei, A. (2018). Managerial strategies to promote employee brand consistent behavior: The new frontier for brand building strategies. *EuroMed Journal of Business*, 13(1), 185-200. <https://doi.org/10.1108/EMJB-02-2017-0008>
- Rode, V., & Vallaster, C. (2005). Corporate branding for start-ups: The crucial role of entrepreneurs. *Corporate Reputation Review*, 8(2), 121-135. <https://doi.org/10.1057/palgrave.crr.1540244>
- Vallaster, C., & Lindgreen, A. (2011). Corporate brand strategy: Brand actors and the situational context for a business-to-business brand. *Industrial Marketing Management*, 40(11), 1133-1143. <https://doi.org/10.1016/j.indmarman.2011.09.008>
- Wei, Z. (2022). Impact of organizational brand-building strategies on organizational brand equity: A moderating role of brand-oriented leadership. *Frontiers in Psychology*, 13(1), 1-12. <https://doi.org/10.3389/fpsyg.2022.919054>
- Wong, Y. H., & Merrilees, B. (2005). A brand orientation typology for SMEs: A case research approach. *Journal of Product & Brand Management*, 14(2), 155-162. <https://doi.org/10.1108/10610420510601021>
- Yieh, K., Yeh, C., Tseng, T., Wang, Y., & Wu, Y. (2018). An investigation of B2B brand value: Evidence from manufacturing SMEs in Taiwan. *Journal of Business-to-Business Marketing*, 25(2), 119-136. <https://doi.org/10.1080/1051712X.2018.1454645>

### APENDIX. QUESTIONNAIRE

Our Company... (Goals and Benefits)		Total disagreement			Total agreement	
		1	2	3	4	5
<b>MB1</b>	Brand building has a less systematic and minor role in the overall product development.	1	2	3	4	5
<b>MB2</b>	Goals of brand building are vague	1	2	3	4	5
<b>MB3</b>	Information used in brand building is sourced from competitors rather than from customers.	1	2	3	4	5
<b>MB4</b>	Perceived benefits of brand building relate to gaining new customers and, to a lesser extent, to enhancing existing partner relationships.	1	2	3	4	5

Our Company... (Resources)		Total disagreement			Total agreement	
		1	2	3	4	5
<b>RC1</b>	Brand building is perceived to be less important than technology development.	1	2	3	4	5
<b>RC2</b>	Companies' brand-building resources are limited	1	2	3	4	5
<b>RC3</b>	Brand building is usually perceived as a large-scale effort with massive investments.	1	2	3	4	5
<b>RC4</b>	Some companies are innovative in brand building despite scarce resources.	1	2	3	4	5

Our Company... (Internal Cooperation)		Total disagreement			Total agreement	
		1	2	3	4	5
<b>CI1</b>	The decision making related to branding is conducted by few managers; the personnel are not involved.	1	2	3	4	5
<b>CI2</b>	Lack of commitment of the personnel and change resistance among them are major challenges in brand building.	1	2	3	4	5
<b>CI3</b>	Getting technology-oriented R&D personnel and marketing- and management-oriented personnel to co-operate is a major challenge in brand building.	1	2	3	4	5
<b>CI4</b>	It is challenging to get personnel to maintain a consistent line in communication	1	2	3	4	5

Our Company... (External Cooperation)		Total disagreement			Total agreement	
		1	2	3	4	5
<b>CE1</b>	Cooperative relationships with re-sellers have an important role in brand building	1	2	3	4	5
<b>CE2</b>	At the new product launch stage, cooperation or co-branding with bigger, trustworthy and known firms strengthens the brand and its trustworthiness.	1	2	3	4	5
<b>CE3</b>	Companies often take care of the visual image and material production themselves	1	2	3	4	5
<b>CE4</b>	The company name is often the product line's "family name", and the individual products are named by combining it with a product-specific extension.	1	2	3	4	5