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**BRANDING AS A BRIDGE
FOR COMMODITIES TOWARDS
A LIBERALIZED MARKET:
A STUDY IN THE ELECTRICITY SECTOR**

Introduction

Limited research exists on branding of electricity and the research that can be found is mostly on the promotional impacts of green energy (Bird et al., 2002; Holt & Holt, 2004; Markard & Truffer, 2006; Roe, 2001). Only a handful of papers can be found where researchers use the theoretical base of the general branding literature to build conceptual models for branding in the electricity industry (Hartmann et al., 2005; Wiedmann, 2004). Even though Europe's energy markets are still heavily regulated, liberation of the energy markets in the last years and decades has brought about a new frame of reference for the companies operating with industry. The industry has switched from a distribution environment to a competitive environment as both private households and businesses are now able to choose among the various companies supplying energy. This fact has given the consumer added influence (Novak & Lyman, 1998; Pesce, 2002; Senia, 2002). However, the pace at which the liberation is taking place is different between countries and it remains to be discovered which long-term effects liberation will have. The challenge remains for the managers in the energy companies to operate them in the most efficient way in a new and demanding environment. In the new environment, they must adopt the principles of marketing. Scholars can assist by providing a theoretical foundation for the general practice to build on.

This paper builds a theoretical foundation and adds to it empirical data from two different energy markets; the Icelandic and the Polish markets. The data merges insights from an interdisciplinary literature review, with empirical verification generated from two complimentary, qualitative studies. The specific objectives are to research similarities and differences between the two above mentioned markets. Furthermore to assist in the above mentioned managerial challenge by means of theoretical sound measures of marketing behavior. In particular branding and its sub dimension, differentiation by making propositions on theory development for differentiation of brands within the electricity sector.

The article is divided into three main parts. The first part provides a theoretical entry point by framing branding in the broad terms as well as surveying the role of commodities as a unit analysis in the marketing literature and defines the conceptual bases for understanding branding of commodities. Furthermore, the first part describes the special circumstances of the commodity in question, electricity. The second section describes the research method and data collection. The third sections present findings as well as discussion of findings and propositions. The article begins by providing a theoretical basis upon which the research is developed.

1. Branding Defined

When operating within a competitive market, a valid question is why a buyer decides on a particular offer in a situation where there are similar or even identical choices. Companies can affect the choices by employing the various marketing tools they have at their disposal. One of those tools is branding (Kotler & Keller, 2005). Branding has long been recognized as an integral part of contemporary business environment (Aaker & Shansby, 1982; Ambler et al., 2002; Doyle, 1990; Gardner & Levy, 1955; Homer, 2008; Keller, 1993). Few issues in marketing therefore now generate as much discussion amongst academics as branding.

Branding, in its simplest sense, is an identification denoting ownership of a particular company (Barwise et al., 2000) and a brand name identifies the products and services of a seller and differentiates them from those of their competitors (Evans & Berman, 1994). The American Marketing Association defines a brand as “a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. [...] A brand may identify one item, a family of items, or all items of that seller. [...]” (American Marketing Association). Kotler (1991) offered a similar definition. He defines a brand as a ‘name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors’ (Kotler, 1991). Those definitions are, furthermore, similar to Doyle's (1990) definition of a brand. Doyle defined a successful brand as a “name, symbol, design, or some combination, which identifies the ‘product’ of a particular organization as having a sustainable differential advantage”. Both Doyle and Kotler mention differentiation explicitly. Differences can be tangible or intangible according to Ambler and Styles (1996). They define a brand as ‘the promise of the bundle of attributes that someone buys [...] the attributes that make up a brand may be real or illusory, rational or emotional, tangible or invisible’ (Ambler & styles, 1996). Brands can therefore be explained as intangible assets based on audience perception (Aaker & Joachimsthaler, 2000; De Chernatony & Mc Donald, 1998; Debra & Aron, 2002; Nilson, 1998; Riezebos, 2003). The main observation to be made regarding definitions of branding in the literature is the importance of differentiation, but a specific purpose of this research to identify differentiating construct of the commodity in question, electricity.

2. Commodity markets and branding

Limited research has been undertaken in the specific area of commodities and branding. However, pure commodities have been researched in a few different areas in marketing including electricity (Hartmann & Ibáñez, 2007; Hartmann et al., 2005; Wiedmann, 2004, 2005), the forest industry (Tokarczyk & Hansen, 2006) and agricultural products markets (Brester & Schroeder, 1995; Ward, et al., 1985). Those research findings, and other examples on commodity promotion programs, show that they have proved to be effective (Alston et al., 2007). Due to commodities low perceived difference, consumers will choose between them on a price basis which forces their producers to compete on low price and high volume (Kotler & Pfoertsch, 2007; McQuiston, 2004; Michell, King, & Reast, 2001). Pursuing a price strategy without emphasizing differing characteristics of a product, sellers are forced to sell a line of commodity products that must compete on their basic attributes (Pesce, 2002). With branded products, however, sellers emphasize differences irrespective of whether they are real or not (Aaker, 1996; Keller, 1998), such as brand name, core product/service, feelings, experiences and user imagery (Keller, 1998).

The research objective of this paper is to research the level of branding usage in the Polish and the Icelandic electricity markets and identify a) which constructs have an high impact factor on differentiation in both countries and b) which constructs are related to differentiation are specific to each country. By doing so, develop an entry point to theoretical model development for the markets in question. The next section explains the research methodology used to attain this paper's objective.

3. Research methodology

In the light of the uniqueness of the research subject, a qualitative research design is selected (Churchill & Iacobucci, 2005; Laurent, 2000; Srnka & Koeszegi, 2007). In particular, the aims are to triangulate the qualitative research approaches (Hall & Rist, 1999) by carrying out two different studies consisting of both managerial perspective and consumer perspective. The first study consists of a) personal in-depth interviews (Miles & Huberman, 1994) with managers of Icelandic and Polish energy companies and b) a focus group (Morgan, 1988; Stokes & Bergin, 2006) of marketing specialists representing three Icelandic energy companies (study 1). In the second study, an interview with a focus group of individual consumers was carried out (study 2). Both research methods are particularly useful to familiarize the researchers to a novel field (Mor-

gan, 1988) and to engender propositions based on the assembled insights (Krueger & Casey, 2000). In the preliminary stages of study 1, only a loosely structured interview guide was used. The loosely structured interview guide allowed the researchers to adapt to individual responses and probe when necessary (Patton, 1990). In study 2, a semi structured interview guides were constructed (Marschan-Piekkari & Welch, 2004). An overview of the research methods used can be seen in table below.

Table 1. An overview of the abbreviations used for participants in the research and the amount of data analyzed

Study	Description	Abbreviation	Research method	Time of data collection
1	Icelandic energy company manager	IM1, IM 2	Personal interviews	85 min
1	Polish energy company managers	PM1; PM2; PM3	Personal interviews	115 min
1	Icelandic marketing specialists	IS1, IS2, IS3, IS4	Focus groups	70 min
2	Icelandic consumers	IC1, IC2,...., IC18	Focus groups	130 min
2	Polish consumers	PC1, PC2,...., PC19	Focus groups	185 min
<i>Total No. of people:</i>		46	<i>Total time:</i>	585 min / / 9,75 hours

The rationale for choosing to interview managers, marketing specialist and consumers was based on a need to gather data from different groups of stakeholders. The data obtained would develop and deepen the understanding of the subject with the selected stakeholders and compare their views in search for commonalities. The rationale for conducting the research in the two countries selected was to be able to compare a western European country to an eastern European one. The interviews were recorded and a serial code that included the abbreviation for the position of the participant in each interview was given (Mertens, 2005). The abbreviations of participants are as illustrated in table above.

Next, a transcript of the interviews and the focus groups was prepared with additional comments from the researcher (Creswell, 2003) and on coloration (Marschan-Piekkari & Welch, 2004) of how participants expressed specific statements (e.g. serious, laughing, etc.) (Richards, 2004; Srnka & Koeszegi, 2007). The transcripts were systematically analyzed by reading over multiple times and codes assigned by a precise color system (Creswell, 2003). The analysis was based on grounded theory where the data is broken up and the researcher looks for codes; both theoretical codes and live (in vivo codes). In the former the researcher already has decided on codes based on a theoretical work but the latter refers to exact words that appear from the data (Creswell, 2003; Kvale, 1996).

Study 1 – Managerial perspective

The objective of study 1 was to understand how selected individuals within the energy companies viewed the marketing aspect of electricity sales. First, two senior managers in an Icelandic companies, were interviewed in in-depth interviews (Kvale, 1996; Miles & Huberman, 1994). A purposive sample was used. Both participants possessed relevant information and had substantive experience of working in the energy field and were selected through a well-informed individual at a large Icelandic power company.

In the first interview (IM1), the objective was to acquaint the researchers with ‘how things are done’ when it comes to marketing electricity. Therefore very few specific questions were asked. Data gathered was mostly on the technical aspects of energy sales given the interviewee’s knowledge. The objective of the second interview (IM2) was consistent with the first one, but additionally, the aim was to collect more detailed data to understand the marketing function and how branding was viewed within the industry. Specifically, how the traditional understanding of marketing was applied and thereby extending the subject further into marketing and branding. Both interviews were conducted in an open structure, approached with an open mind, and ranged from 35 minutes to 50 minutes.

After analyzing data from the first phase of the study, it became apparent that the managers of the Icelandic energy companies illustrated a certain lack of understanding on branding and the traditional marketing function. To fill in those gaps, data was collected from marketing specialists representing Icelandic energy companies. Moreover, the aim was to compare participants’ views with available literature and to further deepen the researchers understanding of the research subject. A semi-structured questionnaire was used which was based on previous interviews and literature work.

A focus group approach was chosen to explore the above. A purposive sample was used to assemble a focus group which consisted of participants representing the largest energy providers in Iceland which control the largest part of the market. One participant represented a new market entrant. All were male, age ranged from 30 to 45, and all came from reputable advertising agencies. All of those who were originally contacted agreed to participate in the focus group. The focus groups lasted 70 minutes. It was recorded and then typed onto 49 pages.

In the third phase of the study, the research objective was, well established and considerable insight had been gained into the Icelandic energy market. Based on that insight, as well as on additional literature reviews, a semi structured questionnaire was designed. The objective was to collect comparable data on the Polish market to be able to compare it to the Icelandic one. Three senior mana-

gers were interviewed in an in-depth interviews (Kvale, 1996; Miles & Huberman, 1994) based on a purposive sample. All participants were knowledgeable and had worked in the energy field for number of years. The participants were selected, and access gained, through a colleague of the principal researcher at a Polish University. Two of the managers were interviewed together but the third one was interviewed separately. The interview continued for 80 minutes and 35 minutes respectively. An open structure format was used as before.

Study 2 – Perceptions of the value of branding by consumers

A focus group with consumers was selected to further triangulate the research findings (Hall & Rist, 1999) by comparing data gathered from individual consumers to the data gathered from managers and marketing specialists. A further justification was to make use of group dynamics for detailed discussion and compelled involvement of participants (Wilson, 2003) in view of the novelty of the research subject: branding of a commodity.

The first phase of study 2 was conducted in Iceland. In preparing the focus groups, a list of individuals was comprised. The criterion was that the group members were paying customers of electricity, and that the groups were composed of dissimilar individuals. Furthermore that the participants would belong to the following age groups: 20 to 30; 31 to 45; 46 to 60; 61 to 75. In total 23 individuals were contacted, by means of convenience sample, of which 18 agreed to participate and were split up into two groups.

A semi-structured questionnaire was used. However, the structure was considerably tighter than the question list used in study 1. Furthermore, more emphasis was based on building on available branding theory in addition to the preliminary analysis of previous primary research conducted by the authors.

Half of the participants were males and half were females. They ranged in age from 25 to 70 and had various income levels and professions. The focus groups ranged from 60 minutes to 70. Both were recorded and then typed onto 103 pages.

The second phase of study 2 mirrored the first phase but this time with Polish consumers. As in the Icelandic market, and even more so in the Polish one, the novelty of the research subject calls for the use of group dynamics of participants while engaging in a discussion (Wilson, 2003).

Access was gained through both administrative and academic staff at a Polish University. However, as the researchers did not have a home advantage as in Iceland, the age requirement was lifted but the participants were still expected to pay their own electricity bill, or be willing to contribute on the matter. Furthermore, participants needed to be proficient enough in English to be able to take

part in the discussion. Twenty one individuals were contacted by a convenience sample and all of those consented to participate. One participant, however, did not show up at the prearranged time and one showed up to late to be contribute. The 19 participants were divided into three focus groups.

The same question list was used as in the first phase. Eight of the participants were males and 11 where females. The age ranged from 22 to 45. Roughly half of the participants were final year bachelor students/first year master students and the other half were mostly university graduates. The focus groups ranged from 55 minutes to 70 minutes. All were recorded and typed onto 120 pages.

Before presenting findings pertaining to the main objective of the research, it is central to present findings on specific challenges of the electricity sector as seen by both managers and marketing specialist from in study 1. That will be done in the next chapter and followed by a discussion of branding and differentiation.

3. Challenges to building a brand within the industry

In study 1 it became evident that the electricity markets are not as marketing oriented as many other markets. In the Icelandic studies it was stated that running a company in the electricity sector was hard because of the “political environment” (IS4). Most of the companies are still governmentally owned which forced the managers to “think in a four year election terms” (IS4) instead of being able to plan further into the future. This resulted in the people working in the companies having “decisions handed to them that contradict to their effort to build up a brand” (IS4) as the decisions “have no relevance on branding and brand building”. Furthermore, since there is still a limited competition in Iceland and the industry is still heavily regulated, “branding is perhaps not what is on their [managers in the electricity sector] mind” (IS3).

To add to the problem, one of the marketing specialists insisted that “the top level management consisted of people raised in a monopoly” (IS2) which made the work of the advertising agencies hard since it took a lot of work on their part to “get them [the energy companies] to think differently” (IS2). The “knowledge is not a lot in-house” (IS3) in the energy companies and it would take “a long long time” (IS1) to “build the knowledge up” (IS4).

The managers interviewed confirmed what the marketing specialists said as is best reflected by the following attitude of the energy companies: “Competition is good... for all others other than us” (IM2). Furthermore, that participants stated that instead of seizing opportunities of building up a brand and performing traditional marketing functions, the people in the companies only saw increased cost (IM2).

The Polish study conformed the above thinking as the managers talked about “a political inefficiency” (PM2) and that an “old fashioned thinking” would still exist with Polish managers although it was their impression that the mentality was a changing “step by step” (PM1). That change, however, is slow as the regulation in the country obstructs new competition so that the existing companies are able to work as they have for the last 20 years (PM3). That is unfortunate, in the managers opinion, as those newcomers that had managed to get foothold on the market had adopted a modern strategy and marketing principles (PM1) which would benefit consumers. The larger part of their modern behavior could be traced back to them being international corporations (PM3). The mentality of the managers, controlling the large Polish electricity companies, could perhaps best be reflected in the following quote: “and these people which having the business from the old time they are still controlled by the state and they are still thinking that they have the market for the whole time life. So nobody will move...” (PM3). “This kind of thinking causes the majority of the electricity companies on the Polish market to be 10 years” (PM3) behind an average western company.

The situation, however, has improved in the last decade since most managers in the electricity sector are aware of the increasing importance of brand building (Ibáñez et al., 2006), but it seems like they could do better. They are the same people that were raised up in a culture described above, “only wearing different hats” (IS1). This chapter’s purpose is to elucidate the reader about the marketing environment. Next, however, the paper will commence with reviews of the importance of differentiation within the branding literature followed by analysis of study 2.

3.1. Differentiation

Branding has already been defined in broad terms. A common theme within the branding literature is the importance of differentiation (Ambler & Styles, 1996; Doyle, 1990; Kotler, 1991). A part of Kotler’s (1991) definition is how brands “differentiate them from those of competitors”. Likewise, Doyle’s (1990) states that a successful brand should identify “a particular organization as having a sustainable differential advantage”. Differences can be tangible or intangible according to Ambler and Styles (1996). They state that “...the attributes that make up a brand may be real or illusory, rational or emotional, tangible or invisible” (Ambler & Styles, 1996). Brands can therefore be explained as intangible assets based on audience perception (e.g David A. Aaker & Joachimsthaler, 2000; De Chernatony & McDonald, 1998; Debra & Aron, 2002; Nilson, 1998;

Riezebos, 2003). In light of the strong emphasis differentiation plays, differentiation was also a focal point of this research.

When analyzing the consumer's perceptions towards differentiation, five constructs were identified in both markets which had an impact factor. The constructs are labeled as follows: *price*, *service*, *green factors*, *image* and *infrastructure*. Table 2 shows the link of these constructs to previous studies and their impact factor (how many times the construct was addressed in the studies followed by descriptive elucidations – direct quotes from the transcriptions).

Table 2. Differentiation

Con-structs	Literature References	Impact factor		Elucidation
		PL	IS	
1	2	3	4	5
Service	Hartmann & Ibáñez, 2007; Ibáñez et al., 2006; Parasuraman, Zeithaml & Berry, 1985	<i>High</i>	<i>Mod.</i>	"[...] and then the quality of service definitely because that would make them different from what we know" (PC18); "I would like to know that they are in competition and that they can offer me something different really from the point of the service" (PC1); "you are selling exactly the same product, exactly the same quality but you are offering different service" (IC17); The same product irrespective of who is selling it. That it, it is exactly in that way. It is first and foremost service that you could. Electricity is electricity. No matter what you do with it (IC10)
Price	Kotler & Pfoertsch, 2007; McQuiston, 2004; Wiedmann, 2004	<i>High</i>	<i>Mod.</i>	"I just care about the price and nothing else because electricity doesn't differ" (PC13); "The difference is all in the price" (PC19); "You could also...differentiate you know by selling...cheap energy" (IC14)
Green factors	Jochen & Bernhard, 2006; Hartmann et al., 2005; Bird, Wustagen & Aabakken, 2002	<i>Low</i>	<i>High</i>	"Well I think electricity promoting the product makes sense in the situation where the product could be differentiated, so... ecological option or something like that or you could later say that you've got some part... because it doesn't have to be 100% eco" (PC1); "Does matter that it is environmentally friendly (IC18); 'It would make a difference if there would be energy producers that would use coal or... if those would come and try and sell us (IC14)

Table 2. contd.

Image	Stanton et al, 2001; Gronroos, 1988	<i>Low</i>	<i>Low</i>	"I'd say that I see the difference but not the level of electricity and the providing electricity. I may just recognize the logo or something like that" (PC3); 'Since it always the same products... let's say there are three companies in Iceland selling electricity... and the one that gets to us in commercials and good logo, that is the one who will be bought from" (IC13)
Infra-structure	Morrison, 2001	<i>High</i>	<i>Low</i>	"The difference can depend on the quality of the electricity lines and the quality of transmission, that's all the difference" (PC2); "It is not just the idea of who delivers also how it is delivered?" (IC11)

Despite the Icelandic and the Polish markets being relatively different in terms of size, number of competitors on the market and other relevant factors, several similarities in consumers' perceptions can be found. Analysis of study 2 reveals that service element was an observable differentiation factor. However, Polish consumers considered both price and infrastructure more of a differentiating factor on branding but the Icelandic consumers regarded green factors higher as a differentiation dimensions in brand building. All of those will be discussed in a later section but it was palpable that differentiating electricity was not an easy task for the consumers groups and most participants had a hard time identifying differentiating factors. It was considered to be particularly hard since consumers did not "interact" (IS2) with the product and the only time consumers would think about electricity was when the power is cut off and when the electricity bill arrives. The following statements pretty much wrap up the relationship of differentiation and price: 'when the payment comes, that's where the difference comes' (PC1). Furthermore the statement echoes the previously mentioned research on commodities and their relationship to price (Kotler & Pfoertsch, 2007; McQuiston, 2004; Michell et al., 2001).

With electricity, assuming high level of reliability, there is virtually no way to differentiate the product itself. Most participants in the consumer groups in study 2 would agree with that view. As one Icelandic participant said in a laughing tone: 'I do not think that the electricity from EnCorp* makes the atmosphere in the house any better nor does it taste better'(IC5).

* EnCorp is a fictional name which will be used to replace specific company names mentioned by participants.

Majority of the Icelandic consumers agreed that the green factor of providing electricity were easy to differentiate but that relationships was weak among in the Polish consumer groups. It was particularly important for the Icelandic consumers groups that electricity was made in an environment friendly way. However, there was not a consensus among them on how much more, if anything, participant would be willing to pay for green energy. See more on green energy below.

It is not surprising that the participants were not able to point out more differentiating features of electricity. To have expected something else would have been unrealistic and the result is consistent with previous research (Pesce, 2002). Equally, it is not surprising that service was most frequently mentioned as a differentiating part as that is also consistent with previous research (Engel, Blackwell, & Miniard, 1993). Service is the first sub element of differentiation to be analyzed.

3.2. Service

Participants in the consumers' studies did not agree on whether electricity is a product or a service. The managers recognized the dilemma and explained that "it's not an awareness in the society that electricity is a product" (PM2). That situation complicated branding work since "one has nothing to show the customer except the price" (IM1). The intangibility of electricity means that the service part of distributing energy is important. That fact that has not gone unrecognized by the energy industry. With increased liberalization of energy markets, the energy companies are, in fact, emphasizing the importance of their service (Hartmann & Ibáñez, 2007; Ibáñez et al., 2006). The result from study 1 is constant with Hartmann's et al. (2007) results as the emphasis on service was evident in the study and the focus on providing good service to their customers. Furthermore, they are cognizant of the need to differentiate based on service since the product "is identical so that the only difference can be [...] in providing the service with the product" (IS2). In Iceland, the approach was more of providing "traditional good service" (IM1). Traditional service principals also applied in in Poland (IM2), but there more emphasis went into service factors that helped their customers dealing with opaque regulation.

Table 3 shows the most important factors according to the consumer's studies. Mutual factors between the countries are *accessibility*, *simplified procedures*, *billing*, and *personal approach*. Non mutual factors are *product delivery* and *help with savings*.

Table 3. Construct: Service

Element	Impact factor		Elucidation
	PL	IS	
Accessibility	<i>High</i>	<i>High</i>	“The service is important and maybe the contact with the client like you can call to them or write and they will answer you not like in two days or one week later” (PC18); “That it is possible to get in touch with the one who is selling it... to reach them” (IC2); “Not just an answering machine in English when you call. I called some place the other day and the only thing I got was an answering machine in English” (IC8)
Personal approach	<i>High</i>	<i>High</i>	“If there would be a place, a point where you could go and talk with somebody who would explain to you” (PC16); “I think it is important if the service is a personal one. For example, I was very happy when my utility company called me to tell me that I was using 50% more than comparable home” (IC2)
Simplified procedures	<i>High</i>	<i>High</i>	“I am the most happy if I can do via internet or at least to call and I don’t have to go to any point to do something” (PC15); “Just sign and the rest is taken care of” (PC17); “When you call to switch, than they just take care of it... but if they would say: ‘just fill out these four forms’ then I would not bother” (IC7)
Billing	<i>High</i>	<i>High</i>	“I want to say another thing about bills, that bills are constructed in such a way that you cannot kind of calculate how much you pay for a kilowatt. I was trying to do it, I’m not bad at math but it’s so complicated” (PC7); “An understandable bill” (IC3); “Well... you almost need a business diploma to understand the bloody bills that come from the energy companies. It is this rate and the other rate. VAT on this and not on this” (C4)
Product delivery	<i>High</i>	–	“No, you can see the news in the winter, each winter, thousands of people without electricity because there was snowing and they will get their power in four” (PC6); “Well you want someone, if it breaks down, you want someone who can come and fix it” (PC14)
Help saving	–	<i>Mod.</i>	“To guide... how much does it cost to turn on the light and help in issues that can save” (IC2); “Provide meters to help people save” (IC2)

The participants in the consumer groups wanted to be able to have direct access to their electricity provider and to be able to communicate in a personal way. Furthermore, they wanted procedures to be simplified but that element was most often mentioned in connection with:

- a) the energy bill itself and
- b) switching intentions.

Switching intentions will not be treated as a separate construct in this paper as it did not have a direct observable impact with the differentiation part of bran-

ding. However, it did have a considerable impact factor through other constructs which is not surprising since switching intentions are a major factor in the literature.

Due to the intangibility of service (and provision of electricity as explained above), the marketing specialist in study 1 expressed the need to make the “make the touch point as positive as possible” (IS4). The most noticeable touch point with the customer is sending out the bill so it should be important to “print out bills that are understandable” (IS4). On that note, it is interesting to observe that neither Icelandic nor Polish consumers, according to study 2, were unhappy with its current format as is evident by the elucidations in Table 3. Overall, however, Icelandic participants were satisfied with the service that the energy companies provided and the Polish participants were relatively content with the service although some found it “quite weak” (PC5). The two nationalities, however, emphasized different elements. The Polish consumers equated good service with the product actually arriving and had, therefore, lower expectation to the service, i.e. “if I don’t pay [...] they don’t cut off straight away” (PC7). Some even went as far saying that only element of the service construct that was relevant was simply that electricity arrived. Other elements of the service construct did not matter as this participant “not believe in it” (PC16).

Many add-ons to service were mentioned. Following are few examples: Setting up meters that show exact status of usage (IC3), online calculations of real time usage (IC7; PC10), some red flag system if energy usage is above normal (IC2; IC13), call centers with helpful representatives (IC18; PC16)) and a “happy hour” where electricity would be cheaper (IC8), or simply being nice (PC7). It was considered important to the Icelandic consumer that some kind of help with savings was embedded in the service element. It is interesting that the impact factor for that element was not an issue for the Polish consumers because price construct was the strongest of all other constructs. Price will be discussed next.

3.3. Price

Some authors that have researched the field state that there is no getting away from the price message, and that electricity will always be price driven since there is little opportunity to differentiate the product (Wiedmann, 2004). The claim is that as long as electricity arrives, the customer is happy until he gets offered a better deal on price. Not all share this view. Research shows that customers are not willing to leave their electricity provider just because of the price. Furthermore, it seems that commodity can be branded which means that price is not the only factor associated with commodity (Engel, 1993). It is consistent with the literature that price was frequently mentioned in this research since price is a clear differentiation factor (Kotler & Pfoertsch, 2007; McQuiston, 2004; Michell et al., 2001, Pesce, 2002).

In the case of electricity, differentiation based on price is even harder than in most industries since the price regulation in most countries is, in theory, the cost of supplying electricity, including an appropriate return on capital investments. Regulators are constantly faced with the dilemma of determining what the 'right' costs are, what the appropriate depreciation is and what profit rates to apply to capital investments (Wiedmann, 2004). To compound the problem, the division of the electricity process into production, transmission, distribution and sales further restricts the margin that companies in the sector have to play with in their pricing decisions.

When analyzing which elements belonged to the price construct, switching stood out and has the absolute highest impact factor, see table 4. Despite the importance of price and its relationships to switching, few consumers actually do switch because price differences between electricity providers are low. This is a function of the regulatory environment that the electricity market has operated within as described above. One of the marketing specialists (study 1) addressed the issues by stating that: "The margin that you have to raise or lower price is tremendously low" (IS4). Furthermore; since the "distributor charges a fixed price, there would not always be much left for the producer or seller" (IM1). It was even mentioned that companies in the sector would not want to "go down the route" (IM2) of competing on price. And as a matter of fact, that participant stated that Icelandic customers had not moved much since the market was set free in 2006 although "on occasion, companies moved to get a better price" (IM2). The same applies in Poland as there is "zero switching" (PM1) for household customer due to the regulatory environment.

Table 4. Construct: Price

Element	Impact factor		Elucidation
	PL	IS	
1	2	3	4
Switching	<i>High</i>	<i>High</i>	"It doesn't matter this... I do not know... some percent of price even, it's not worth all the stuff and changing it" (PC3); "All about who really won't care about it because it's small difference in the price" (PC8); "It's such a pain and then you see that the difference in price will be like in, not even in, not in Euros but in Cents, so why bother?" (PC14); "It might not be worth the effort because the change in price can be very small" (PC18); "If one would get a telephone call... if someone is offering a lower price than what I have now... than I would think about it" (IC13); "I can buy from whomever, but the difference is so insignificant that it makes no difference and people are not making these comparisons" (IC4)

Table 4. contd.

1	2	3	4
Green	<i>Low</i>	<i>High</i>	“So what’s the reason to buy or to pay more for electricity if you are getting the same like everybody else?” (PC11); “If it would be much difference, I would thing about it. I must admit that” (IC4); “I must say that I would pay a bit more for that” (IC2); “I would look into it. I would not just buy the cheapest one” (IC7); “It depends on how much cheaper it is” (IC5)
Competition level	<i>High</i>	<i>Low</i>	“Maybe it would be easier if they make the prices of the electricity, if they... the prices of the electricity and make it not low, they are now governmentally regulated, so government says it can’t be higher” (PC10); “I think that with an increased competition, the price goes down” (IC1); “I think that competition would lead to a higher price” (IC18)
Stability Trust	<i>Low</i>	<i>High</i>	“I think price for me would be like 60% or 55% for price and 45 for stability” (PC15); “Stable delivery. That is the most important in modern society” (IC4); “To me however, stability is more important than price; Stable delivery. That is the most important in modern society” (IC4)
Regional differences	<i>Low</i>	–	“The funny thing is that price varies from the place you live, so actually you have to call them and ask for the price so you can get the price that they are going to offer you”(PC7)

In Table 4, the elucidations demonstrate that consumers in study 2 do not consider price a viable option for switching electricity provider. In effect that means that people are not willing to change providers and do any kind of “paper work just to save kr. 10 [5 cents] per month” (IC4).

The Icelandic consumers indicated that the low price differences could be traced to a lack of competition; there “is no price competition for the Icelandic homes” (IC12), but the Polish ones traced the differences to the regulatory environment; “they are now governmentally regulated, so government says it can’t be higher than...” (PC10). That fairly accurately describes the Polish mentality towards competition in the electricity market. One can switch but why bother because when it comes down to it, its public regulation that controls price. On that note, it is interesting to observe that while the Polish consumers considered it beneficial for the industry to move away from public control due to its extreme ineffectiveness (PC7) and towards competition, preferably western ownership, some of the Icelandic consumers rejected the idea of the electricity sector being privately operated as the sector was too important for non-public ownership.

Stability was an issue that the Polish participants mentioned frequently in relation to price and most of them could recall stories about the unreliability of electricity provision in the country. However, the element had a limited relation-

ship to price as price was supposed to unconditionally low and it was hardly related to any other variables. In that sense, instability was considered a separate issue from the pricing factor. However, that does not imply that stability was not considered important by the Polish participant. The Icelandic participants, on the other hand, most often mentioned price second to reliability, “you are totally out if the electricity is not there” (IC8).

The instability of electricity, as well as pricing issues, in Poland were most often tied to regional differences. Comparable examples of regional differences could not be found in the Icelandic study but it’s interesting to observe that despite a small price difference, the participants the Icelandic consumers in study 2 did all agree on the importance of a competitive price. “Lower price than what I have now” (IC12), “the same thing for a lower price” (IC17), “low price is most important” (IC9) are just three quotes of many from study. In that light, it is interesting to observe that when asked, very few of the participants knew how much they were actually paying for the electricity on a monthly basis. Some had a rough idea, and some had no idea; “I do not know... I just pay the bill” (IC16), and “we just pay whatever we are asked to pay” (IC13) exemplifies the situation. The same situation could be observed to some extent in the Polish market.

3.4. Green factors

Green marketing has been an important academic research topic for at least three decades (Hartmann et al., 2005). Green power marketing is the act of selling electricity generated wholly or in part from renewable sources (Bird et al., 2002). In the energy sector, the “green” concept is central as environmental issues are most likely more important in the energy sector than in any other sector because of the large scale effect production and use of energy has on the environment” (Bird et al., 2002).

One way to differentiate electricity is by the way it is made. Usually when electricity is differentiated in technical terms, only the border between consumer and supplier is considered. That is, the differentiation factor is unrelated to electricity generation. In the case of green electricity, however, the production method is at the core of the product. As a consequence, the power of green electricity creates a non-physical relationship between the consumer and the producer (Jochen & Bernhard, 2006) that can be termed as emotional factors. The emotional part of the green energy message can emphasize consumers feeling of well-being (‘warm glow’), for being socially responsible by consuming green brands. Additionally, sensations and feelings are enhanced by a perceived experience through contact with nature (Hartmann et al., 2005). In light of the conclusive

theory behind green aspects and its relationship to electricity, it is not surprising to realize that it came up as a separate construct in this research.

In Table 5 the construct green factors can be seen along with the elements that were found to have an impact factor. None of the elements had a high impact factor in both countries which makes this construct different from all the other once in this research. Most noticeable differences between the countries can be found in the relationships of green factors to price and to origin.

Table 5. Construct: Green factors

Element	Impact factor		Elucidation
	PL	IS	
Price	<i>Low</i>	<i>High</i>	<i>i)</i> “Yeah but to tell you the truth it’s so expensive that even if it was atomic energy or nuclear energy, I would be happy to switch to whatever was cheaper” (PC14); <i>ii)</i> “If it won’t be advertised and if it won’t be proven, even if it was proven really, who has time just to sit and now I will be reading offers, this is eco, this isn’t eco, this is such a price, such a price, it always comes down to price actually” (PC3); “I must say that I would pay a bit more for that” (IC2); <i>iii)</i> “If you could afford it maybe even if the price was higher, you would think of it, if you could afford it” (PC3); “We don’t have actually much choice because always the price is one of the most important directions here in Poland I think. It’s like the basic thing” (PC18); “I would look into it. I would not just buy the cheapest one” (IC7)
Origin (prod. method)	–	<i>High</i>	“I much rather want electricity made from hydroelectric power, the one we have, than something made from oil or coal or such. It is much better for the environment. And renewable” (IC4); “Of course it matters if what we are buying is polluting allot elsewhere” (IC7)
Sustainability	<i>Low</i>	<i>Low</i>	“The green thing somehow is included in a very broadly understood idea of social responsibility if the company makes us believe they do something for the society” (PC17); “Companies and government should use green energy” (IC12)
Image	<i>Low</i>	<i>Low</i>	“Then being green in case of an electricity company is important for the image, so you can’t ignore it completely” (PC17); “Create some good image that we, as we said before some ecological” (PC8); “I think... here in Iceland...neon signs are not going to cut it...there must be some kind of green messages behind” (IC11)

In Poland, price had a low impact factor on the green element and none on origin. One thing the data is revealing is that Polish consumers are not green. They recognize the importance of green electricity, but do not consider it worthwhile to pay more for it. Analysis identifies three explanations for this: i) the

emotional aspect of choosing green energy simply does not carry any weight and therefore it not worth paying for it; ii) green is considered important but since hard evidence of it actually being green is lacking, it is therefore not chosen but the cheapest option is chosen instead; iii) green electricity is considered important, but due to its higher price it is too expensive for the average consumers. Regarding the last point, a sense of powerlessness could be detected towards the green element. That is knowing they “should” be green but not being able to due to financial status” thereby admitting that “it’s all connected with income because if someone has enough money he will care if it’s green or it’s not green but for me for now, the most important thing is just, if it’s cheap or not” (PC9). Furthermore, it was stated that one “must remember a lot of people in Poland don’t earn a lot of money and environmental friendly energy is more expensive and even a difference in the price which would appear small to somebody from Western Europe would be quite a lot of money so people would go for the cheaper option” (PC18).

It is interesting to compare this to the Icelandic market. To the Icelandic participants, there was a relationship between price and green although the elasticity of the relationship was relative as expressed by the following quote: “It matters not only what we say, but I think that the price factor would have a significant input [on how much more inexpensive]” (IC3). However, for the largest part the Icelandic participants in the research were cognizant of the environmental factors of electricity. Nevertheless, the discussion was not salient among the Icelandic participants. The most likely explanation for that is that a vast majority of homes in Iceland use renewable energy. The discussion on electricity made from, for example, coals and nuclear energy, is a rather distant one and the participant had limited desire to discuss it.

As noted, origin and sustainability are related to green. Most participants in both consumer studies considered it part of social responsibility to use energy sources that would not pollute the environment and doing other things like planting trees. However, their attitudes towards the origin differed as the Icelandic participant stressed the importance of green renewable source but the Polish participants mostly considered the origin only if it would mean a lower price to them. In that respect several references were made to the injustice of them not having nuclear power plants like some of their neighboring countries.

Most participants acknowledgement of the importance of green as manifested by their ideas of that green should be in important part of the electricity companies image. The Polish participants, in particular, elaborated on this and thought that although the companies would not be “100% eco” (PC1) they should be doing something to enhance their image building by differentiating through “ecological options” (PC5).

3.5. Image

Current literature generally does not concentrate solely to apparent ‘elements’ such as the name, logotype, slogan, color, design or symbol. The focus instead is on the sum of ideas and associations these elements evoke among audiences, i.e. the brand's image (e.g. (Debra & Aron, 2002; Duncan, 2002; Nilson, 1998; Riezebos, 2003; Simoes & Dibb, 2001). Image is defined by “everything that the corporation is, everything that it does, communicates – to everybody with whom it deals” (Olins, 1989). One method to achieving differentiation, without necessarily creating a real difference in the product or service offered, is by creating an image for being different. The most common way of doing so is by branding (Gronroos, 1988). In a true commodity market, there is no distinction in actual product quality as electricity from one supplier is identical to the electricity from another. However, people are less likely to buy electricity from a supplier they have not heard of (Stanton et al., 2001) and from a companies with a less than favorable image. What is favorable varies from industry to industry although cross industry similarities can be found (Dobni & Zinkhan, 1990). Furthermore, Brand image is a multi-dimensional concept that authors have no consensus of how to empirically measure (Martinez & de Chernatony, 2004; Stern et al., 2001). In the light of the above, researching the effect of image on differentiation should be considered an entry point of researching image in a novel field. Table 6 shows the elements which participants associated with the construct image. One element stands out as a prerequisite of an electricity brand: Trust.

Table 6. Construct: Image

Element	Impact factor		Elucidation
	PL	IS	
1	2	3	4
Trust	<i>High</i>	<i>High</i>	“Certainly reliable” (PC4); “For me like a customer I would like something that would like something that would be reliable but also fast, friendly and...” (PC1); “Well... this is how it is... the brands must reflect this... trust... show how responsible they are” (IC18); “Trust is the first thing I thought about” (IC16)
Sustainability	<i>Low</i>	<i>High</i>	“I think maybe the good treatment of people not only the clients but also the employers and it can be very important for the image of the company” (PC16); “If... although the price is comparable if that company had that kind of image. For example to give to charity etc. Although I would still pay the same” (IC2); “Well... I think it is important for example not sending out Christmas card but giving to charity instead’. Companies that send out Christmas card boar me” (IC7)

Table 6. contd.

1	2	3	4
Service	<i>High</i>	–	“Maybe finally focus on the customer not on the sales’ (PC4); ‘Reliable and friendly’ (PC3); “something that would be reliable but also fast, friendly” (PC1); “Kind of Friendly” (PC8); “Friendly and stable” (PC13)
Origin (country)	<i>Mod.</i>	<i>Low</i>	“But considering the fact that we have Schengen and the borders are kind of open for the electricity, we could have proper good electricity from other power plants abroad” (PC1); “It’s western, it has to be better than Polish one but after all there’s something in it” (PC3); “Because we don’t have that choice, but with electricity if they started buying from Russia then I would say well I would rather have another company, it comes down to reliability as well” (PC16); “We build on this clean image that Iceland is supposed to have. Than perhaps you can build of that image if it is sold to other countries... than you can build on this renewable image, hydro dams etc.” (IC14)
Imagery	<i>High</i>	<i>Low</i>	“[...] differentiate from the old ones. They are like cold and they are immune to our needs and stuff and I think that’s what we like and want to be that friendly and open attitude towards us” (PC1); “Yeah because electricity is intangible so it will be something that creates a positive image that was there, changing something there, building something new” (PC1); “I think... funny commercials are better than dramatic once” (IC7); “Maybe everyone is so used to that trust thing. Maybe we need something else...something sputnik” (IC14)

Trust had a very high impact factor in both countries. Reliability is strongly associated with electricity provision and the participants reasoned that it should be reflected in the brands image. Sustainability had a high impact factor on the Icelandic market. It also had an impact factor among the Polish participants but a low one. The relationships of sustainability to green have already been discussed and those are most likely to be the determining factor behind the findings.

Service and country of origin had a high impact factor in the Polish market but only country origin was present in the Icelandic one. It is reasonable to assume that present conditions in those markets, according to participant’s opinions, play a large role as service levels area already high in the Icelandic market but the opposite applies on the Polish ones. Furthermore, the origin of electricity consumed in the Icelandic market is very homogeneous which is a reasonable cause for a low impact factor to image according to the Icelandic participants. When the image construct did come up, it was related to image of Icelandic environmentally friendly energy as an export product. The reversed applied in Poland as the image of imported electricity was perceived better by some of the

Polish participants as the elucidations in table 6 demonstrate; “good electricity from other power plants abroad” (PC1) – as long as it was not Russian.

The last element in the table is imagery. It had an impact factor in both countries; low in Iceland and high in Poland. As described above, image is a multi-dimensional concept (Martinez & de Chernatony, 2004; Stern et al., 2001) and it is unrealistic to give a full analysis of it, in this paper, in a synopsis of the two markets in question. The above elements were, however, isolated and essentially all the Icelandic data could be well fitted into them (predominantly the trust element). On the other hand, the Polish data on this construct was considerably richer than the Icelandic one. There are two reasons, starting with the obvious: 1) the compositions of the focus groups was different, and 2) the Polish participants’ relative discontent of their providers caused them to elucidate how they saw the greener grass on the other side. The most prominent component which they thought that an image of an electricity company should constitute off was the opposite of image of the majority of the Polish electricity companies. That it should not evoke feeling like the “emperor looking down” (PC1) on the Polish consumers. First the image should be “reliable” (PC1; PC3; PC4; PC8; PC11; PC15; PC17) as already expressed in the trust element, but it should also be “friendly” (PC1; PC3; PC14; PC15; PC19); “close” (PC2; PC7); and “warm” (PC1).

Building a brand for an electricity company and determining its identity which consequently projects its image to consumers is a hard thing. Special characters of electricity also make brand- and image building harder as “people just feel like the government provides it” (IS1) and that provision of electricity is “between being a product and a tax in the minds of the consumer” (IS1) and their interaction to is “one of taxation” (IS3). Furthermore, given the special settings of electricity markets and its differences from many other markets make brand building harder. These special settings will be discussed next.

3.6. Infrastructure

In the section on *Challenges to building a brand within the industry*, an insight from the managers and specialist in study 1 is presented. The section clearly identifies how the electricity sector differs from most other markets. Those differences are notably obvious in study 2. In Table 7 the elements are identified that had a high impact factor on infrastructure. However, the table shows that those elements do not affect the two markets in the same way. Furthermore, the table shows that only three out of five elements were found in the Icelandic market. The other two had a low to medium impact factor in Iceland but high in Poland. It is therefore apparent that this construct has a considerably more effect on

differentiation of brands in the Poland than it has in Iceland. Delving closer into the data reveals Polish consumers' unease for the construct casting a shadow over many of the other issues researched. To them, the fact that all retailers must use the same infrastructure downplays many of the other constructs. That the only "difference can depend on the quality of the electricity lines and the quality of transmission" (PC2) makes it irrelevant which electricity provider one chooses since "it's all in the same line" (PC4). For that reason, all the elements, which have impact factors with infrastructure, are highly related (excluding image). The Icelandic consumers address the infrastructure but addressed the matter lightly and found it rather informative to learn about the distribution of electricity. The following sums up their attitudes: I must say I do not understand how this functions. If, let's say, EnCorp wants to make a contract with me [...], what kind of relationship do they have with the one that runs the grid? (IC14).

Table 7. Construct: Infrastructure

Element	Impact factor		Elucidation
	PL	IS	
1	2	3	4
Competition	<i>High</i>	<i>Low</i>	"We don't have choice, there are only two of them and then they don't really compete. It's just like they don't really care about customers because I guess" (PC3); "Because they don't compete. Customers just don't see a difference" (PC5); "When a new competitor arrived the participant was happy because it's like oh maybe there will be some competition and then they tell them that they are using the same infrastructure as other Polish providers, so it's like the same stuff in the new package" (PC1); "How about the relationship between those companies? Is there active competition there? Is electricity being dumped...or does EnCorp...?" (IC11)
Switching	<i>High</i>	–	"We have no choice and because it's like even the providers didn't think about competing yet. So why should we create the impression that we can choose" (PC1); "There was great national debate last year when Krakow had problem with having their electricity because there was a malfunction in this company and so the city center of Krakow couldn't get the energy and said they wanted to change the operator but they couldn't" (PC2); "They still can provide me with energy only in two years' time and this is something I could not understand, I would happily switch to another provider but I know the situation would be the same, the answer would be the same because they don't have the infrastructure" (PC15)

Table 7. contd.

1	2	3	4
Powerlessness	<i>High</i>	–	“But you are not a corporate customer so your money that you are bringing in for the electricity is really, it’s nothing” (pc18); “Yes if you pay more they will give you, it’s called like a construction connection or something like that, for the purposes of construction, it’s more expensive and it comes in only six months, so it’s much earlier” (PC18); “[...] wait two years, I have no option, I have to wait” (PC17); “they don’t think it’s worth building a new line for a new customer I don’t know why I want to buy from them but they won’t sell” (PC18); “they don’t really care about the customers” (PV15)
Price	<i>Mod</i>	<i>Low</i>	“[...] its price and it won’t change because they are dependent on the infrastructure” (PC2); “We just pay whatever we are asked to pay. This dictatorship thinking... they can just bill us” (IC13)
Image	<i>Mod</i>	–	“They didn’t try to say they are different I think, they didn’t try hard” (PC8)

The relationship of competition on switching had and impact factor in both the consumers’ studies; a low one in Iceland, but a high in Poland. In the Icelandic study, participants were mostly contemplating on the structure itself without making assumptions from it about either competition (good or bad factors) or possibilities of switching. The same cannot be said about the results from the Polish study as they blamed the low level of competition to its relationships to infrastructure. Furthermore, they saw limited point in thinking about switching as the previous circumstance on the market prevented them from it – namely the infrastructure and its bad side effects, the lack of competition. The interconnectedness of infrastructure, competition and switching lead to a certain sense of powerlessness among the participants in the Polish consumer study. To them, switching would represent choosing between the lesser of two evils. The elucidations connected with the powerlessness element exemplify this sense of powerlessness as the participants are not particularly upset to have to accept waiting times counted in years to have electricity connection. They even rationalize that if one needs a connection earlier one can pay more and electricity comes “comes in *only* six months” (PC18) since it is “it’s always better than three years” (PC15). It would be useless to be upset about the circumstances as the participants had determined that they would most likely get the same poor service from the competitor since monopolistic behaviors epitomized the circumstances on the market and as they understood monopolies, it was particularly insensitive to individual needs. It should, however, be pointed out that they were not upset by the present circumstances nor are they particularly dissatisfied with

their provider. The electricity companies on the market are “Ok I guess” (PC6). That statement, however, can neither be considered a quality stamp nor thumbs up. It’s describes indifference due to the limited powers as individual consumers of electricity.

Price had a moderate impact factor on the infrastructure element in the Polish study, but a low one in the Icelandic study. In the Polish study, the participants took price as fixed thing due to its relationship to the infrastructure (and the regulatory body behind it, including the price). The Icelandic participants opposed the idea of paying any price handed town them. Lastly, image had a moderate impact factor on relationship to infrastructure in the Polish study as the participants thought that the image of the Polish electricity companies were rather homogenous (with minor exceptions). Furthermore that their image suffered due to the relationship to the infrastructure and that it was one of coldness and indifference toward Polish consumers.

That concludes that presentation of findings and discussion about them. Their implications will be conversed in propositions on theory development in the next section

4. Propositions on theory development

The two studies provide an entry point to theoretical model development of differentiation for brand building within the electricity sector – specifically for the two countries researched. The preceding chapters demonstrate all constructs and elements identified within the sector. Further analysis demonstrates that some of those constructs and elements are mutual differentiating factors of brands to both the Icelandic and the Polish electricity market and some are exclusive to each market. Based on those mutualities and differences, short preliminary model development will be proposed in this chapter. Tables 8 and 9 show the result of that analysis. Table 8 shows constructs and element mutual to both countries and table 9 shows constructs and element that are specific to each country. It was resolved to identify elements that had either moderate or high impact factor. Elements with a low impact factor were omitted.

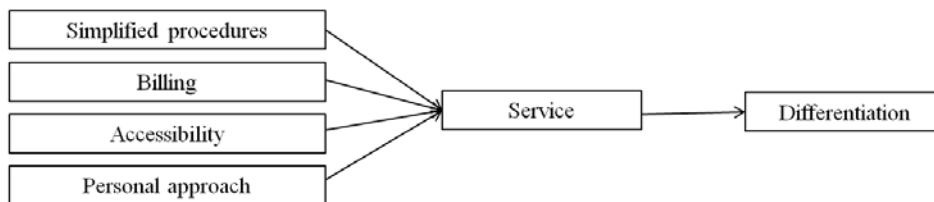
Table 8. Construct and elements with a moderate to high impact factor in both countries

	Conjoint by Iceland and Poland			
Service	Simplified procedures	Billing	Accessibility	Personal approach
Price	Switching			
Green factors	Sustainability	Image		
Image	Trust			

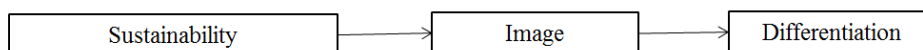
Table 9. Breakdown of construct and elements with a moderate to high impact factor

	Moderate to high elements broken in each country						
	Iceland		Poland				
Green factors	Price	Origin (pr.m.)					
Service	Help saving		Product delivery				
Price	Stability Trust	Green	Competition level				
Image	Sustainability		Service	Origin (country)	Imagery		
Infrastructure			Competition	Switching	Powerlessness	Price	Image

It can be observed from Table 8, that the service aspect of differentiation is a uniting factor as out of six elements with high impact factor with service, five are mutual to both countries. It is therefore inferred the relationships exist that can be seen in Figure 1.

Figure 1. Differentiation as a function of service and it's conjoint elements in the Polish and the Icelandic electricity markets

Furthermore, switching, sustainability/image and trust elements have a moderate to high impact factor on price, green factors and image constructs respectively. It is likewise inferred that a parallel relationship exist between all the elements in Table 8 which have a moderate impact factor on their respective constructs. Of those, Figure 2 shows the differentiation as a function of image and sustainability. Other relationships in the table are not drawn up and shown in a figure in this paper.

Figure 2. Differentiation as a function of image and it's conjoint element in the Polish and the Icelandic electricity markets

When looking at the discrepancies between the two countries, influences related to green factors are prominent among the Icelandic participants (relationship found in two constructs; green factor and price). Those are shown in figure 3. However, infrastructure is the prominent construct in Poland. It's inferred relationship to differentiation is shown in figure 4. Other relationships are not drawn up.

Figure 3. Differentiation as a function of green factors and it's conjoint element in the Icelandic electricity markets

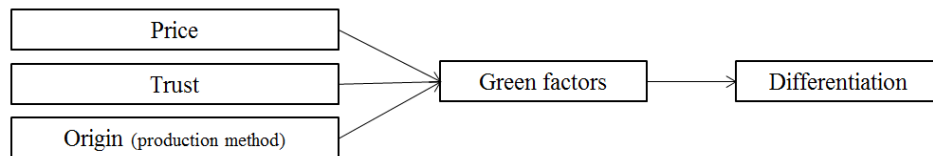
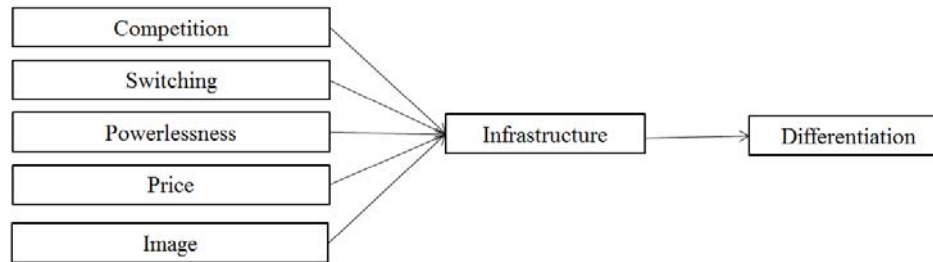


Figure 4. Differentiation as a function of infrastructure and it's conjoint elements in the Polish electricity market



Conclusion

The electricity sector in the USA has been privatized for close to two decades. In a 1998 article, written about the American utility companies, it was stated that while creating a differentiated brand may be the single most important communication goal that management can set, it would likely to be one that few utilities will pursue (Novak & Lyman, 1998). According to the findings in this research, it seems that both the Polish and the Icelandic market are not in a dissimilar place as the American one was in its initial stages.

It is not a simple task to predict what is in store for the electricity industry or if the transformation will be as dramatic as in the telecom industry. One of the managers in research thought that people within the energy industry "do not foresee the changes that are bound to happen much like the people in telecommunication did not either 15 years ago" (IM2). That remains to be seen but much

would be gained for the electricity sector if predictions about the future could be based on academic rigor. It is the conclusion of the authors that people within the industry know that they have entered an environment where a request of traditional marketing principles will be called for. The future will bring about more competition and more consumer power in both countries; particularly in Poland. When that happens, and understanding of consumer attitudes towards the sector is important and manager in the sector need to understand their customer and react to them in ways that have been modeled and proven in other industries. That information needs to be adopted to the electricity industry and combined with primary data from individual markets. In this paper, an attempt is made to provide preliminary understating of consumer behavior and suggested ways for model development. The research that this paper is built on is a steppingstone in that direction and at the same time it offers opportunities for academics to observe a new industry coming under the umbrella of marketing and branding.

However, the attitudes within the sector will develop, it is clear that particular sector could give a hint on what the near future will bring; telecoms. Frequent comparisons were made to the telecom industry in all the studies. In study 1 it was mentioned that before Síminn, [Icelandic Telecom] was privatized their marketing department “consisted of three people... and they were wearing slippers” (IS2). Now it is one of the largest marketing departments in the Iceland. All the participants in study 1 agreed that it would be interesting to look at how the telecom market has developed. Studying that developmental process could be used as a case to predict the development of electricity sales in the future as the electricity market is likely to develop in a similar fashion. As of now, the industry “is in the begging of a wave” (PM2) which would move it toward capitalizing more on branding and using “different images” for the product (PM2). By doing so, using branding as a bridge for commodities from state monopolies to liberalised market.

Neither country researched, Iceland nor Poland have a well-developed marketing environment in their electricity markets, although presently the two countries are at two different places in the development. It is therefore a limitation of the study. To foresee the advance within the sector in less developed market, like Iceland and Poland, it would be interesting to research more developed markets with a longer standing tradition of competition. Furthermore, the strength of the inferred relationships proposed in the research have not been tested with quantitate measures. Measuring the strength would, would provide for an interesting future research.

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