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A STUDY WITH AN ACTOR-NETWORK THEORY APPROACH

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Summary

The riddle of this Thesis is: How come the management of the Finnish pulp and paper (P&P) corporations became interested in corporate branding around the year 2000? By the Finnish P&P corporations, I refer particularly to the three large P&P corporations based in Finland in 2005: UPM-Kymmene, Stora Enso, and M-Real. By the management, I refer to managers of these corporations including the top managers, i.e. CEOs and executive board members, and even the members of the Boards of Directors.

To marketing and branding research, the riddle concerning these P&P corporations, typical business-to-business (B2B) companies, is intriguing and even involves some paradoxes. First, if corporate branding is considered to relate to marketing to customers – as branding usually is – there is some paradoxical nature in the question why the management of B2B companies would become interested in corporate branding. On the one hand, it is a commonly held view that managers of B2B companies are usually not very interested in "branding". So, why would the management of B2B companies become interested in "corporate branding"? On the other hand, managers of B2B companies have, arguably, always been interested in their companies' reputation or image as suppliers. Since "corporate brand" appears fairly synonymous to "company reputation/image", and if B2B companies have assumingly always been interested in that, why would the management of B2B companies suddenly become interested in "corporate branding"?

Second, it can be recognized that ever since "corporate branding" was first explicitly discussed by researchers, corporate branding has been understood as being about managing and creating positive images of the company – not only in the minds of the customers, but in the minds of other stakeholders of the company, too. However, it seems unlikely that the managers of any company would become interested in "corporate branding" in order to e.g. make "all stakeholders hold a positive image of the company" in a vague and all-embracing way. Rather, it is likely that they become interested in certain management practices of corporate branding, as these are considered to serve certain specific interests related to certain stakeholders.

Noting that the managers of the P&P corporations studied themselves seemed to largely consider the interest in corporate branding as having emerged inevitably, as a "natural continuance" of longer-term developments related to certain aspects, I set out to study how the management interest in corporate branding emerged in relation to those longer-term developments. The aspects were (1) shareholders, shareholder value, and share price; (2) differentiation in the market; (3) the selling of own products; (4) international expansion; and (5) environmental responsibility issues. The managers' suggestions that the interest in corporate branding had, in a way, self-evidently emerged from developments related to these aspects made me think of them as *taken-for-granted* in relation to the interest in corporate branding.

Further noting that the managers themselves seemed to consider the interest in corporate branding as having emerged particularly in relation to mergers and acquisitions (M&As) around the year 2000, I set out to study the emergence of the management interests also in relation to them.

In studying the emergence of the management interest in corporate branding, I used an actor-network theory (ANT) approach. First of all, studying the riddle in relation to the taken-for-granted aspects corresponded to ANT, which emphasizes that researchers should start studying things from such points on where they were not yet taken for granted, or "black-boxed". I chose to start from the situation concerning the Finnish P&P corporations in the early 1980s, when the aspects were less taken for granted. Also, I followed a general ANT tenet of "actors themselves make everything" in looking into what the practices of corporate branding were that the management of the Finnish P&P corporations became mainly interested in, and how they became interested in those practices. So, I abstained from defining myself what corporate branding would be in the case of the Finnish P&P corporations and their management, from interpreting certain management practices as corporate branding, and from arguing for certain benefits resulting from the interest in them.

ANT called for me to trace and describe local and contingent histories of orderings whereby the management of the individual companies, the Finnish P&P corporations, had become interested in certain management practices of corporate branding. I based my ANT Description on interviews of managers and executives of the three major Finnish P&P corporations, of persons closely interacting with them, and of persons representing various

other actors. The interviews, conducted during the year 2005, totalled 67 in number. Moreover, the Description was based on extensive source material and literature produced by the P&P corporations themselves and by third parties.

All in all, the Description resulting from the use of an ANT approach helps to see how the concept of corporate branding did not merely diffuse as ready-made to the P&P corporations or due to certain structural forces. It helps to see how corporate branding got (socially) constructed or translated in the corporations, and especially: how the interest in corporate branding emerged in a historical process in relation to the black-boxing of certain aspects and how it ultimately emerged at certain moments in the histories of the companies – around the year 2000 and, further, at the specific instances of M&As around that time. Moreover, the Description helps to see how the management interest in corporate branding ultimately emerged not only in a temporal moment or simply as a natural continuity or a culmination of some developments – e.g. of those related to the taken-for-granted aspects. It shows how the interest emerged also in an interstice and place of confrontation, through some play of dominations and struggle of forces. It helps to see how the emergence of the interest in corporate branding was about a reversal of a relationship of forces, by showing how different managers came to have various interests in their world-mastering efforts but became themselves eventually somewhat mastered by corporate branding (and certain managers). It helps to see how a somewhat more unified management subject – with a common interest in corporate branding – got constructed, as common management practices of corporate branding would serve and translate the different interests of different managers. Finally, the Description helps to see how the power of certain managers and actors grew while certain management interests held, particularly, by certain other managers were suppressed or "Othered".

Although the whole ANT Description can be seen as serving to solve the riddle of how come the management of the Finnish P&P corporations became interested in corporate branding around the year 2000, I had as my research objective to make further, more concise findings and conclusions concerning the riddle of the study on the basis of the Description. This was mainly because I aimed to contribute primarily to marketing and branding research, which can be considered to be inclined towards the realist paradigm, pursuing fairly concise findings to specific research questions. Particularly, I asked (1) what were the main (immediate) management interests in/behind corporate branding in the Finnish P&P corporations?; (2) what were the management practices of corporate branding in which the management of the Finnish P&P corporations mainly became interested?; and (3) to what management practices of corporate branding were the (immediate) management interests in corporate branding "translated" in the Finnish P&P corporations? Furthermore, according to ANT authors' interest in "Otherness", I asked: (4) what management interests were Othered by the management practices of corporate branding in the Finnish P&P corporations? Finally, to summarize the historical developments, I also asked what "preconditions", concerning the longer-term developments related to the taken-for-granted aspects, as well as the M&As around the year 2000, there were for corporate branding and how the management interests in corporate branding were related to them.

As concise Findings of the Thesis, I summarize the preconditions for the management interest in corporate branding, the (immediate) management interests in/behind corporate branding, the management practices in which the management became interested in corporate branding, the translations of the management interests to the management practices, and the management interests potentially Othered by the management practices.

Contributing to marketing and branding research, when it comes to management practices of corporate branding, I conclude that the management became integrally interested in various management practices which can be considered to relate to:

(1) managing the brand hierarchy of the brand portfolio,

(2) having corporate name dominance in association with product brands and units of the corporation, and

(3) defining and communicating aspirational brand identity/image values.

When it comes to the management interests in/behind corporate branding, I conclude that they concerned not only the management of relationships to customers but also the management of relationships to investors and investment analysts, of internal relationships to and between the corporation's own employees and managers, and of relationships to potential employees. At large, corporate branding was also about marketing the corporation to investors and investment analysts and current and potential employees, not only to customers. In corporate branding, the

management of relationships to customers, investors and analysts, to and between the company's own employees and managers, and to potential employees became intertwined.

Concerning marketing to investors and analysts, there were interests in increasing investor awareness of the corporation as a paper and board company, as well as in emphasizing the corporation's brands, communicating a clear and focused portfolio of core products and businesses, and signalling renewal to analysts and investors. Concerning marketing to own employees and managers, there were interests in having employees identify themselves with and be proud of the corporation; committing managers to corporate strategies and goals; and having employees adopt a way of working with certain attitude, such as a proactive customer-helping attitude and environmentally and socially responsible attitude. Concerning marketing to potential employees, there was an interest in increasing their awareness of the corporation as an employer.

Concerning marketing to customers, the interests in long-term marketing, in particular, were strong, e.g. having customers perceive, consider the attractiveness of, and demand new kinds of offerings by the corporation, which would de-emphasize individual products and emphasize the corporation's whole product range, supply reliability, services, and solutions. At the same time, interests in short-term marketing and sales, as well as even segmentation, were potentially Othered.

At a more general level, I conclude that corporate branding in the Finnish P&P corporations is an instance of employing strategic corporate management practices where relationships to various stakeholders – not only e.g. customers – are managed simultaneously. Furthermore, I see corporate branding as an instance of marketing the corporation not only to customers but simultaneously to various stakeholders, including, for example, investors and analysts, and current and potential employees. I encourage managers to develop, experiment with, and implement more such strategies – with "corporate tenaciousness" and by providing right incentives to managers of different levels.

When it comes to secondary contributions, contributing to general management and organization research concerning management power relations, I conclude that in corporate branding, the power of corporate communications and corporate marketing managers grew in managing day-to-day business with customers and in managing relationships to investors and internal relationships to and between employees and managers. The corporate communications and corporate marketing managers increased their influence, control, and power, reducing the power of e.g. mills, divisions, sales offices and their managers, as well as human resources managers. Moreover, corporate marketing and corporate communication managers largely combined their forces in speaking for corporate branding. Concerning the adoption of administrative innovations or fashionable management concepts/techniques, I conclude that their adoption in individual companies may occur in a matrix. This notion of a matrix stems from: (1) various individual management interests of different managers being served by a certain new individual management practice; (2) a certain individual management interest of certain managers being served by various new individual management practices, and (3) the management interests served by the new management practices being stronger than certain management interests Othered by the management practices. As an additional contribution, I conclude that one management practice of corporate branding in the Finnish P&P corporations, i.e. focusing promotion on one brand per product, was an instance of "decoupling".

Finally, as an additional contribution to Finnish P&P industry research, I conclude that the management interest in corporate branding related to the recognition of increasing importance of marketing, communication, and image-building; the urge to attract and satisfy investors and investment analysts; and the recognition of the increasing importance of motivating and attracting employees.

KEYWORDS: corporate brand(ing), business-to-business brand(ing), industrial brand(ing), pulp and paper industry, forest industry, actor-network theory, corporate marketing, investor relations, internal marketing, stakeholders, administrative innovation, management fashion

Tiivistelmä (suomeksi)

Tämän väitöskirjan arvoitus on: miten ja miksi suomalaisten paperi-/metsäyhtiöiden (pulp & paper) yritysjohto kiinnostui yritysbrändäyksestä vuoden 2000 tienoilla? Suomalaisilla metsäyhtiöillä viittaan kolmeen suureen metsäteollisuusyritykseen, joiden kotipaikka oli Suomessa vuonna 2005: UPM-Kymmene, Stora Enso ja M-Real. Yritysjohdolla tai johdolla viittaan näiden yritysten johtajiin, mukaan lukien ylimmät johtajat, kuten toimitusjohtajat ja johtoryhmien jäsenet, jopa hallitusten jäsenet.

Markkinointi- ja bränditutkimuksen kannalta kyseinen arvoitus koskien näitä yhtiöitä, jotka ovat tyypillisiä business-to-business (B2B) -yrityksiä, on mielenkiintoinen ja pitää sisällään jopa paradokseja. Ensinnäkin, jos yritysbrändäyksen katsotaan liittyvän markkinointiin asiakkaille – kuten brändäyksen yleensä katsotaan – kysymyksessä siitä, miksi B2B-yritysten yritysjohto kiinnostuisi yritysbrändäyksestä, on paradoksaalista luonnetta. Yhtäältä, on yleinen käsitys, että B2B-yritysten johtajat eivät yleensä ole kovin kiinnostuneita "brändäyksestä". Siis, miksi he kiinnostuisivat "yritysbrändäyksestä"? Toisaalta, voidaan todeta, että B2B-yritysten johtajat ovat aina olleet kiinnostuneita yritystensä toimittaja- ja yritysmaineen/-imagosta asiakkaiden keskuudessa. Kun "yritysbrändiä" voidaan pitää synonyyminä "yritysmaineen/-imagon" kanssa ja kun B2B-yritysten johto on oletettavasti aina ollut kiinnostunut tästä, miksi B2B-yritysten johto yhtäkkiä kiinnostuisi "yritysbrändäyksestä"?

Toiseksi, jos otetaan huomioon, että aina siitä lähtien kun tutkijat alkoivat alunperin puhua "yritysbrändäyksestä", se on ymmärretty positiivisten mielikuvien luomiseksi ja hallitsemiseksi ei vain yrityksen asiakkaiden, vaan myös yrityksen muiden sidostoimijoiden mielissä. Mutta silti: on epätodennäköistä, että minkään yrityksen johto kiinnostuisi vahvasti yritysbrändäyksestä kovin epämääräisessä mielessä, kuten luodakseen "kaikkien mahdollisten sidostoimijoiden mieliin positiivisia mielikuvia yrityksestä". On todennäköisempää, että johto kiinnostuu tietyistä yritysbrändäyksen johtamiskäytännöistä, nähdessään niiden palvelevan tiettyjä spesifejä intressejä tiettyihin sidostoimijoihin liittyen.

Havaitessani, että suomalaisten metsäyhtiöiden johtajat itse vaikuttivat näkevän kiinnostuksen yritysbrändäykseen nousseen väistämättä, ikään kuin tiettyihin aspekteihin liittyneiden pidempiaikaisten kehityskulkujen "luonnollisena jatkumona", ryhdyin tutkimaan, miten kiinnostus yritysbrändäykseen nousi suhteessa noihin kehityskulkuihin. Kyseiset aspektit koskivat (1) osakkeenomistajia, omistaja-arvoa ja osakekursseja; (2) differentiaatiota markkinoilla; (3) omien tuotteiden myymistä; (4) kansainvälistä laajenemista; ja (5) ympäristövastuuasioita. Johtajien näkemykset, että kiinnostus yritysbrändäykseen olisi noussut tavallaan itsestäänselvyytenä näihin aspekteihin liittyneistä kehityskuluista sai minut pitämään niitä jossain määrin *itsestäänselvyyksinä* suhteessa yritysbrändäyskiinnostukseen.

Edelleen havaitessani, että johtajat itse vaikuttivat näkevän kiinnostuksen yritysbrändäykseen nousseen erityisesti suhteessa fuusioihin ja yritysostoihin vuoden 2000 tienoilla, ryhdyin tutkimaan kiinnostuksen nousua myös suhteessa niihin.

Tutkiessani johdon kiinnostuksen nousua yritysbrändäykseen, käytin actor-network theory (ANT) -lähestymistapaa. Ensinnäkin, arvoituksen tutkimisessa suhteessa yllä mainittuihin itsestäänselvyyksiin vastasi hyvin ANT:tä, joka korosti, että tutkijan tulisi aloittaa tutkimuksensa vaiheesta, jolloin asioita ei ole vielä alettu pitää itsestäänselvinä, "mustina laatikkoina". Valitsin aloitusajankohdaksi 1980-luvun alun, jolloin mainitut aspektit eivät vielä olleet itsestäänselvyyksiä. Mukailin ANT-oppia toimijoiden seuraamisesta tutkimalla, mistä yritysbrändäyksen johtamiskäytännöistä johtajat itse asiassa kiinnostuivat ja miten he kiinnostuivat näistä käytännöistä. Pidättäydyin siis itse määrittelemästä, mitä yritysbrändäys olisi suomalaisten metsäyhtiöiden tapauksessa, tulkitsemasta tiettyjä johtamiskäytäntöjä yritysbrändäykseksi ja olettamasta tiettyjä hyötyjä kiinnostuksesta niitä kohtaan.

ANT vaati jäljittämään ja kuvaamaan tilannekohtaisia järjestäytymisen historioita, joiden myötä yksittäisten yritysten, eli suomalaisten metsäyhtiöiden, johto kiinnostui tietyistä yritysbrändäyksen johtamiskäytännöistä. Perustin ANT-kuvauksen metsäyhtiöiden johtajien, sekä johtajia läheltä seuranneiden henkilöiden, haastatteluihin. Haastatteluita, jotka tehtiin vuoden 2005 aikana, oli yhteensä 67. Lisäksi perustin kuvauksen laajaan lähdemateriaalin ja -kirjallisuuden käyttöön.

Kaiken kaikkiaan ANT-lähestymiseen perustuva kuvaus auttaa näkemään, kuinka yritysbrändäyksen konsepti ei diffusoitunut "valmiina" metsäyhtiöihin tai tiettyjen strukturaalisten voimien vaikutuksesta. Se auttaa näkemään, kuinka yritysbrändäys tuli

(sosiaalisesti) konstruoiduksi tai käännetyksi (engl. translated) yhtiöissä ja erityisesti: kuinka kiinnostus siihen nousi historiallisen prosessin myötä, jossa tietyistä aspekteista muodostui itsestäänselvyyksiä, ja kuinka kiinnostus lopulta nousi tiettyinä yhtiöiden historianhetkinä – vuoden 2000 tienoilla ja edelleen yksittäisten fuusioiden ja yritysostojen hetkillä noihin aikoihin. Lisäksi kuvaus auttaa näkemään, kuinka johdon kiinnostus yritysbrändäykseen ei lopulta noussut vain ajallisessa hetkessä tai tiettyjen kehityskulkujen luonnollisena jatkumona tai kulminaationa – esim. mainittuihin itsestään selviin aspekteihin liittyvien. Se auttaa näkemään, kuinka kiinnostus nousi myös konfrontaation saumassa, tietynlaisen valtakamppailun läpi. Se auttaa näkemään, kuinka kiinnostuksen nousu yritysbrändäykseen oli tavallaan vallan keikaus, näyttäen miten yksittäisille johtajille muodostui erilaisia intressejä heidän hallitsemisyrityksissään, mutta kuinka eri johtajat itse tulivat lopulta hallituiksi yritysbrändäyksen toimesta (ja tiettyjen johtajien). Se auttaa näkemään, kuinka melko yhtenäinen yritysbrändäyksestä kiinnostunut yritysjohtosubjekti tuli konstruoiduksi, kun yhteiset yritysbrändäyksen johtamiskäytännöt palvelisivat ja kääntäisivät eri johtajien eri intressejä. Lopulta kuvaus auttaa näkemään myös, kuinka tiettyjen johtajien valta kasvoi, kun taas tiettyjen johtajien tiettyjä intressejä poljettiin tai joutui "toiseuden" (engl. Otherness) piiriin.

Vaikka koko ANT-kuvauksen voi nähdä olevan sen arvoituksen ratkaisua, miten ja miksi suomalaisten metsäyhtiöiden yritysjohto kiinnostui yritysbrändäyksestä vuoden 2000 tienoilla, otin tutkimustavoitteekseni myös tiiviiden löydösten ja johtopäätösten tekemisen arvoitusta koskien, kuvauksen perusteella. Tämä johtuu siitä, että tarkoituksenani oli kontribuoida erityisesti markkinointi- ja brändäystutkimukseen, joka taas on kallistunut realismin suuntaan hakien tiiviitä vastauksia spesifeihin tutkimuskysymyksiin. Erityisesti kysyin (1) mitkä olivat pääasialliset (välittömät) johtamisen intressit yritysbrändäyksen takana suomalaisissa metsäyhtiöissä?; (2) mitkä olivat johtamiskäytännöt, joista suomalaisten metsäyhtiöiden johto pääasiallisesti kiinnostui?; (3) mihin yritysbrändäyksen johtamiskäytäntöihin yritysbrändäyksen johtamisen intressit kääntyivät (translations) suomalaisissa metsäyhtiöissä? Edelleen, mukaillen ANT-tutkijoiden ajatusta "toiseudesta" kysyin: (4) mitä johtamisen intressejä joutui toiseuden piiriin (poljettiin) yritysbrändäyksen johtamiskäytännöillä? Lopuksi, tiivistääkseni historialliset kehityskulut kysyin myös, mitä "ennakkoedellytyksiä" yritysbrändäykselle oli, koskien pidempiaikaisia, itsestään selviin aspekteihin liittyviä kehityskulkuja ja koskien fuusioita ja yritysostoja vuoden 2000 tienoilla.

Tutkimuksen tiiviinä löydöksinä tiivistän työssäni yritysbrändäyksen ennakkoehdot; yritysbrändäyksen takana olleet (välittömät) johtamisen intressit; yritysbrändäyksen johtamiskäytännöt, joista johto kiinnostui; noiden johtamisen intressien käännökset noiksi johtamiskäytännöiksi; sekä yritysbrändäyksen johtamiskäytäntöjen myötä potentiaalisesti poljetut toiset johtamiskäytännöt.

Markkinointi- ja brändäystutkimukseen kontribuoiva päätelmäni on, koskien yritysbrändäyksen johtamiskäytäntöjä, että tutkittujen yritysten johto kiinnostui kokonaisvaltaisesti johtamiskäytännöistä, jotka liittyivät:

(1) brändiportfolion brändihierarkian hallitsemiseen,

(2) yritysnimen dominanssiin yrityksen tuotebrändien ja yrityksen yksiköiden yhteydessä, ja

(3) tavoitteellisten yritysbrändin identiteetti-/imagoarvojen määrittelemiseen ja kommunikoimiseen.

Mitä tulee johtamisen intresseihin yritysbrändäyksen takana, päätelmäni on, että ne eivät koskeneet vain suhteiden johtamista asiakkaisiin, vaan myös suhteiden johtamista sijoittajiin ja sijoitusanalyytikkoihin, yrityksen omiin työntekijöihin ja johtajiin sekä potentiaalisiin työntekijöihin. Laajasti ottaen yritysbrändäyksessä oli kyse yhtiön markkinoimisesta sijoittajille ja sijoitusanalyytikoille sekä omille ja potentiaalisille työntekijöille, ei ainoastaan asiakkaille. Toisaalta suhteiden johtaminen asiakkaisiin, sijoittajiin ja analyytikkoihin, omiin työntekijöihin ja johtajiin ja potentiaalisiin työntekijöihin kietoutui tiiviisti yhteen.

Koskien markkinointia sijoittajille ja analyytikoille, yritysbrändäyksen johtamisen intressejä olivat yhtiön tunnettuuden lisääminen sijoittajien joukossa sekä yhtiön brändien vahvuuden korostaminen, selkeän ja fokusoidun ydintuotteiden ja ydinliiketoiminta-alueiden portfolion viestiminen sekä uudistumiskyvyn signaloiminen sijoittajille ja analyytikoille. Koskien (sisäistä) markkinointia omille työntekijöille ja johtajille, intresseissä oli työntekijöiden identifioitumisen ja ylpeyden lisääminen yritystä kohtaan, johtajien sitouttaminen yhtiötason strategioihin ja tavoitteisiin sekä työntekijöiden saaminen työskentelemään enemmän tietyllä asenteella, kuten aloitekykyisellä ja asiakasta auttamaan pyrkivällä asenteella ja ympäristö- ja

sosiaalisesti vastuullisella asenteella. Koskien markkinointia potentiaalisille työntekijöille, intresseissä oli yhtiön tunnettuuden lisääminen heidän joukossaan.

Koskien markkinointia asiakkaille, pitkäntähtäimen markkinoinnin intressit olivat erityisen vahvoja, esim. asiakkaiden saaminen hahmottamaan yrityksen uudenlaisia tarjoomia, harkitsemaan niiden houkuttelevuutta ja kysymään niitä. Nämä tarjoomat korostaisivat yhtiön koko tuotevalikoimaa, toimitusvarmuutta, palveluita sekä ratkaisuja ja avunantoa asiakkaalle – aiemmin paljolti korostuneiden yksittäisten tuotteiden sijaan. Samalla kuitenkin lyhyentähtäimen markkinoinnin ja myynnin intressejä, ja jopa segmentoinnin, potentiaalisesti poljettiin.

Yleisemmällä tasolla päätelmäni on, että yritysbrändäys tutkituissa yrityksissä oli esimerkki strategista yrityksen johtamisen käytännöistä, joissa johdetaan suhteita useisiin sidostoimijoihin – ei vain esim. asiakkaisiin – ja vieläpä samanaikaisesti. Toisaalta näen yritysbrändäyksen yrityksen markkinoimiseksi ei vain asiakkaille, vaan samanaikaisesti myös muille sidostoimijoille, kuten sijoittajille ja analyytikoille ja omille ja potentiaalisille työntekijöille. Suositan johtajia kehittämään, kokeilemaan ja käyttämään enemmän kyseisenlaisia strategioita – "yritystason sitkeydellä" ja eri tason johtajille oikeita insentiivejä tarjoamalla.

Mitä toissijaisiin kontribuutioihin tulee, päätelmäni yleisen johtamisen ja organisaatioteorian suuntaan on, koskien johdon valtasuhteita, että yritysbrändäyksen myötä yritysviestintäjohtajien ja yritystason markkinointijohtajien valta kasvoi päivittäisen asiakasliiketoiminnan johtamisessa sekä suhteiden johtamisessa sijoittajiin ja sisäisten suhteiden johtamisessa työntekijöihin ja johtajiin. Yritysviestintäjohtajien ja yritystason markkinointijohtajien vaikutusvalta ja kontrolli lisääntyivät, vähentäen mm. tehtaiden, divisioonien ja myyntiyksiköiden ja niiden johtajien, kuten myös henkilöstöjohtajien, valtaa. Lisäksi yritysviestinnän ja yritystason markkinoinnin johtajat paljolti yhdistivät voimansa puhuessaan yritysbrändäyksen puolesta. Koskien (muodikkaiden) johtamisen konseptien/tekniikoiden omaksumista yksittäisissä yrityksissä päätelmäni puolestaan on, että omaksuminen voi tapahtua "matriisissa". Tässä matriisissa: (1) tietty yksittäinen uusi johtamisen käytäntö palvelee useita eri johtajien eri johtamisen intressejä; (2) useat uudet johtamisen käytännöt palvelevat tiettyä, tiettyjen johtajien yksittäistä intressiä; ja (3) uusien johtamiskäytäntöjen palvelemat johtamisen intressit ovat voimakkaampia kuin toiset johtamisen intressit, joita käytännöt polkevat.

Lopuksi, kontribuutiona suomalaisen metsäteollisuustutkimuksen suuntaan yhteenvetävä päätelmäni on, että kiinnostus yritysbrändäykseen liittyi markkinoinnin, viestinnän ja mielikuvien luomisen kasvavan tärkeyden tunnustamiseen; kovaan haluun houkutella ja tyydyttää sijoittajia ja sijoitusanalyytikoita; ja työntekijöiden motivoimisen ja houkuttelemisen kasvavan tärkeyden tunnustamiseen.

ASIASANAT: yritysbrändi(/-äys), business-to-business -brändi(/-äys), teollinen brändi(/-äys), paperiteollisuus, metsäteollisuus, toimija-verkosto-teoria, yrityksen markkinointi, sijoittajasuhteet, sisäinen markkinointi, sidostoimijat, johtamisen innovaatio, johtamisen muoti

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In Helsinki, 18.1.2007

Jaakko Aspara

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PART I
Introduction

1   Introduction

1.1   The Riddle

The riddle on which this Thesis centrally focuses is how come the management of large Finnish pulp and paper (P&P) corporations became interested in corporate branding around the year 2000. By these large Finnish P&P corporations, in 2005, I refer particularly to the three large P&P corporations based in Finland: UPM-Kymmene, Stora Enso, and M-Real. By the management, I eventually refer to managers of these corporations, including the top managers, i.e. CEOs and executive board members, and even the members of the Boards of Directors.

I personally became interested in the riddle when leafing through the corporations' annual reports from the early years of the 2000s and when talking informally with some of their managers. When it comes to the annual reports, the corporations had not mentioned anything about "corporate brands" in them still in the late 1990s, but suddenly, even the first pages of the reports, dealing with the main strategies of the corporations, and the CEOs, saluting the readers, seemed to discuss corporate branding. First, I came across the CEO of UPM-Kymmene noting in his opening words to the annual report for the year 2003[1]:

> At the turn of the year UPM-Kymmene adopted UPM as its new commercial name… The new commercial name is part of UPM's initiative to clarify its corporate brand.

Soon, I found the CEO of M-Real noting, in his foreword for the annual report for the year 2002[2]:

> As a common element for all of the M-real businesses, our strategy includes an increased investment in marketing, based on a single and strong M-real corporate brand.

And then, I encountered the annual report of Stora Enso, for the year 2001, summarizing the corporation's strategies under the heading "Success determined by profitability and creation of value" and sub-heading "Branding to enhance value", with this reference to corporate branding[3]:

> Stora Enso's goal is to build a single, distinctive corporate brand that encompasses all the various product brands. A strong corporate brand will differentiate the Company by bringing its vision, mission and values to life. Corporate brand values are demonstrated in the everyday actions of the Company.

Furthermore, in talking informally to some managers of the corporations, I heard comments about the top management having become interested in corporate branding:

> **Manager,** *retrospectively*:
> The management, including the top management, became interested in this corporate branding thing a few years ago, around the beginning of the millennium.

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[1]   UPM-Kymmene Annual Report 2003, p. 5.

[2]   M-Real Annual Report 2002, p. 5.

[3]   Stora Enso Annual Report 2001, p. 7.

> **Executive,** *retrospectively***:**
> In our corporation, the top management group and Board have decided that
> building a strong corporate brand is one of our main tasks.

Why was this? How come the management of the Finnish P&P corporations
became interested in corporate branding around the year 2000? This became the
riddle I wanted to solve. I found it interesting, since the management interest in
corporate branding appeared to have emerged rather suddenly as a new focus.
Nevertheless, there would be other, more theoretical reasons to become even more
interested in the question of how come the management of the Finnish P&P
corporations became interested in corporate branding.

Taken-for-granted aspects

Of course, I immediately posed the question directly to the managers I talked to.
And through the whole research process, I kept on posing the question to different
managers. Some interesting answers that always repeated themselves in one form
or another were:

> **Executive,** *retrospectively***:**
> For me, the interest in corporate branding somehow related to the shareholders
> and foreign shareholders becoming important to us in recent years. And to
> shareholder value and share prices...

> **Executive,** *retrospectively***:**
> Corporate branding was somehow a very natural continuance to a longer-term
> development - a transformation, for instance, of trying to differentiate the
> company in the markets a little in terms of products… And services...

> **Executive,** *retrospectively***:**
> ...Interest in corporate branding emerged particularly since our company had
> started to sell our own products to customers in the markets...

> **Executive,** *retrospectively***:**
> Our company's expanding and becoming more international has been one
> development that has created the need for corporate branding...

> **Executive,** *retrospectively***:**
> It has to be admitted that the pressures for environmental protection and such
> have also been behind the increasing attention given to corporate branding...

The first reason why I found these kinds of answers intriguing was because some
managers seemed to largely consider interest in corporate branding, in a way, as
inevitably having emerged from certain aspects or as emerged as a "natural
continuance" to longer-term developments related to those aspects. As reflected in
the above comments, the aspects would be particularly the following:
> > Shareholders (particularly foreign), shareholder value, share price
> > Differentiation in the market
> > Selling own products
> > International expansion
> > Environmental responsibility issues

The comments about the "natural continuance" suggested to me that it was, in
some measure, taken for granted that interests in corporate branding had emerged
from the above five aspects or developments related to them. On the other hand,
the taken-for-grantedness was further suggested by the statements of many
managers explicitly stressing how it was "self-evident" or "natural" that the

interest in corporate branding directly related to or followed some of the five above aspects. Finally, apparently due to the taken-for-granted nature of those aspects, some managers would not talk about (some of) them until they were specifically asked about them – to which questions they could respond with statements stressing e.g. the "self-evidence". Accordingly, I call these five aspects, in the following, the *taken-for-granted aspects*.

Another reason why I found the above typical answers by managers intriguing was because, at first, I thought that they tried to explain the emergence of interest in corporate branding at the turn of the century with aspects that could not possibly explain the interest emerging just then, or not until then. Namely, I thought that these aspects had for long been self-evident with regard to most corporations – at least for Western corporations. Coincidentally, this would be a further justification for calling the aspects *taken-for-granted aspects.* Indeed, do the aspects not seem such that have for long been taken-for-granted in most (Western) corporations? Haven't shareholders, the value the shareholders gain from ownership and the share price always been important for every (Western) corporation? Hasn't every (Western) corporation always wanted to be, at least, a little different in the market compared to its competitors? Hasn't every (Western) corporation always sold the products they produce to customers or intermediaries on their own? Hasn't every (Western) corporation had to consider environmental responsibility issues – at least for a couple of decades already?

Moreover, I could remind myself of some facts that made the aspects seem even more taken for granted. When it comes to shareholders, shareholder value, and share price, I knew that e.g. Enso and Kymmene, predecessors of Stora Enso and UPM-Kymmene, had been limited liability companies publicly listed on the Helsinki Stock Exchange since the early 20th century and had always belonged to the largest Finnish corporations in terms of market capitalization. When it comes to environmental responsibility issues, I knew that ever since the early 1970s, the Finnish P&P corporations had been fairly strongly pressured by Finnish authorities and the general public to e.g. install equipment in their mills to decrease the negative environmental impact on water and air. With regards to international expansion, I knew that about 90 percent of the production of these corporations had, for decades, been exported to the international markets.

How had the management interest in corporate branding emerged from the taken-for-granted aspects or longer-term developments related to them? How could taken-for-granted aspects in any way explain the sudden increase in management interest in corporate branding in the Finnish P&P corporations in the early 2000s? My riddle started to seem even more interesting. Pondering it further, I began to doubt whether the five taken-for-granted aspects had, after all, always been taken-for-granted by the corporations and their management. I became interested in the riddle especially in relation to the longer-term development of the corporations and in relation to the taken-for-granted aspects.

Mergers and acquisitions around the year 2000

Besides the typical answers quoted above, I noted another frequently heard answer from the interviewed managers:

> **Executive**:
> The corporate branding interest became strong after the considerable mergers and acquisitions realized in the late 1990s and early 2000s…

Contrary to the answers discussed earlier, this type of comment did not seem to involve aspects that could have been taken-for-granted. Managers referred to

mergers and acquisitions in the late 1990s and early 2000s very often but did not seem to take for granted, to the same extent as above, that interest in corporate branding would have inevitably emerged from them or emerged as a "natural continuance" of longer-term developments related to this aspect. Actually, the managers often referred to individual mergers and acquisitions in the late 1990s and early 2000s as events or moments, rather than as developments and their continuance. So, I became interested in the riddle inasmuch it related to the mergers and acquisitions around the year 2000 that the managers were talking about.

1.2 Marketing, corporate branding and B2B branding research

Besides finding the riddle intriguing for the above reasons, it immediately appeared also theoretically interesting in relation to earlier branding and corporate branding research, as well as industrial or business-to-business (B2B) branding research. I had, like most marketing researchers, in the back of my head the idea that managers of companies that can be considered to be business-to-business (B2B) firms, operating in industrial markets, are not usually very interested in "branding". And indeed, the Finnish P&P corporations can be considered first and foremost B2B firms, selling mostly to publishing, printing, and packaging manufacturing companies, as well as to other converters of paper and board products. On the other hand, I, like most marketing researchers, also held the view that managers of B2B firms have always recognized the importance of company or supplier reputation. And "corporate brand" sounds quite similar to "company reputation", when it comes to suppliers.

So, we basically have a two-sided issue first – and a fairly paradoxical one at that. How and why would the management of a B2B company become interested in branding if branding is, by assumption, not effective in B2B marketing? And how and why would the management of a B2B company suddenly become interested in corporate branding if they have for long been interested in their company's reputation and in managing it.

Second, it can be recognized that ever since "company branding" or "corporate branding" were first explicitly discussed by consultants and researchers in the 1990s (e.g. Bernstein 1989; King 1991; Balmer 1995), corporate branding has been seen to be about managing and creating positive images of the company in other stakeholders' minds as well as the customers' minds. However, it seems unlikely that the managers of any company would become interested in "corporate branding" just in order to make "all stakeholders have a positive image of the company" in a vague and all-embracing way. It is more likely that they become interested in certain management practices of corporate branding, as these are considered to serve certain specific interests related to certain stakeholders.

As apparent in the following review, the paradoxical issues mentioned above have not been addressed in earlier research. Consequently, addressing the riddle reflecting the issues is the main contribution of this Thesis – a contribution which is aimed primarily towards branding and marketing research.

1.2.1 Branding and corporate branding research

Brands and branding have been a central topic in marketing research for decades. For most of this time, the concept of the brand has been mainly related to product marketing, where the role of branding has been seen in creating positioning, differentiation, preference, and loyalty for a product or service offered by a company in the minds of customers, usually consumers. More precisely, the role of branding has been seen in creating positioning, differentiation, preference, and loyalty for product(s) or service(s) offered by a company with a certain brand: a name, term, design, symbol, or any other feature that identifies the company's good or service as distinct from those of others (see AMA 2005, definition for "brand"). The possible positioning, differentiation, preference, and loyalty have been seen to arise from (managing) the brand images, i.e. everything customers associate with the name, term, design, symbol, etc. and the products and services sold with it. This has largely been the case since the 1950s, when e.g. Boulding (1956) argued that people do not react to reality but to what they perceive as reality and emphasized the importance of brand image; Newman (1957) defined brand image as everything people associate with a brand; and the much-cited Gardner and Levy (1955, p. 35) proposed:

> A brand name is more than the label employed to differentiate among the manufacturers of a product. It is a complex symbol that represents a variety of ideas and attributes. It tells the consumers many things, not only by the way it sounds (and its literal meaning if it has one) but, more important, via the body of associations it has built up and acquired as a public object over a period of time.

Whereas brands and branding have been a central topic for marketing research for decades, the notion of the corporate brand and corporate branding is relatively new. Already as such, there is relatively little research specifically related to corporate branding, and my study comes to contribute to this area of branding research. As an extension of the concept of branding, or product branding, the role of corporate branding has been seen in creating positioning, differentiation, preference, and loyalty for whatever a company offers with its corporate name, in the mind of customers. Nevertheless, ever since several branding and communications consultants first explicitly mentioned and went on to assess what was then still mostly called "company brand" (e.g. Bernstein 1989; King 1991), the role of corporate branding has largely been seen in creating positioning, differentiation, and preference not only in customers' minds but in the minds of other stakeholders of the company, too. Corporate brand images have been considered to exist in the minds of various stakeholders. Accordingly, it has been understood that corporate branding would be about managing more complex organizational associations stakeholders have about the company and about the behaviour of the company and its people rather than merely associations related to individual products and services.

As Knox and Bickerton (2003) note, corporate branding has basically come to be seen to incorporate most aspects of the management of corporate image (e.g. Abratt 1989; Kennedy 1977; Grunig 1993; Bernstein 1984), corporate personality (Olins 1978; Barney 1986), corporate identity (e.g. Birkigt and Stader 1986; Olins 1995; Stuart 1999), and corporate reputation (e.g. Fombrun and Van Riel 1997; Rindova 1997), when it comes to the images that various stakeholders have about the corporation. Nevertheless, even in corporate branding, creating differentiation and preference particularly in customers' minds – value for customers – is still ultimately seen to be at the core (Macrae 1999; Urde 1999). Corporate branding is

seen to be about involving brand associations as part of a company's unique selling proposition (Balmer 1995, 2001; de Chernatony 1999, 2001; Ind 1997) or organizational value proposition (Knox, Maklan, and Harris 2000). With this emphasis, the notion of the corporate brand has aroused growing interest among academicians since the mid-1990s, when the earlier notion of "company brand" was replaced by the label "corporate brand" (e.g. Balmer 1995).

Some researchers (e.g. Aaker 2004) of corporate branding still concentrate largely on outlining how managers can - through the management of the use of the corporate brand name in association with products and product brand names - shape corporate images in selling products to customers and benefit from these images. Others, on the other hand, concentrate on how corporate images can be shaped and benefited from in general – particularly shaped. They often de-emphasize the role of corporate names, logos, and other visual symbols, and even the role of products and services offered by the corporation and the corporation's marketing communications – whether e.g. the corporate name is to be used with products or product brand names. Instead, when it comes to corporate branding and creating desired brand images in stakeholders' minds, the importance of all the communications of the corporation, external as well as internal, and the shaping of organizational culture and employees' behaviour have come to be strongly emphasized (e.g. de Chernatony 2001; Harris and de Chernatony 2001; Hatch and Schultz 2001, 2003; Wilson 2001; Balmer and Soenen 1999). The importance of a strategic vision about the brand images, or aspirational images or values, stemming from corporate strategies and visions, has also come to be stressed (de Chernatony 2001; Hatch and Schultz 2003), as well as holistic, integrative, multi-disciplinary, organization-wide support from the CEO to the lowest level (e.g. King 1991; Balmer 2001; Hatch and Schultz 2003).

Thus, there is an increasingly vast body of work by academicians and practitioners dealing with corporate branding. Nevertheless, most of it is, as Knox and Bickerton (2003) note, conceptual in nature. Especially, there has been very limited empirical investigation of what kind of explicit and conscious management practices individual corporations and their managers actually engage in with corporate branding, particularly beyond the use of corporate name in association with product brand names. The empirical investigation reported so far consists mainly of rather anecdotal illustrations (e.g. Daffey and Abratt 2002; Melewar and Walker 2003; cf. Schultz and Hatch 2003). Furthermore, there is even less empirical investigation of how and why the management of specific corporations, including top management, actually becomes interested in corporate branding. My study makes a contribution in addressing this issue.

At this juncture, I would like to note that I consider investigating how management of specific corporations becomes interested in corporate branding and investigating what kind of explicit and conscious management practices individual corporations and their management engage in with corporate branding as inseparable aspects – I will do both. In this, I adopt – like actor-network theory (ANT) authors Callon and Latour (1981; Callon 1986a), on whose work I base my research approach – the notion of an "interest" being about an entity attracting another entity by standing between that entity and a third (from Latin *inter-esse:* to stand between). I will look into the role of specific management practices of corporate branding as standing between the management and something – this something, in a way, constituting management goals or management interests in corporate branding. Hence, I will position away from studies that attempt to look into why managers would be interested in "corporate branding" (e.g. Einwiller and Will 2002), but do so without making clear what kind of practices the studied

managers themselves mean by corporate branding or even defining to the studied managers what kind of practices is meant by corporate branding. On the other hand, I will position away from studies that attempt to look into what kind of practices managers mean by corporate branding (e.g. Burghausen and Fan 2002), without looking into how and why they would be interested in them.

Moreover, I will also position away from studies where "corporate branding" is studied by researchers interpreting – usually with hindsight about what contributed to the development of a successful brand – various management practices as corporate branding, instead of paying attention to what kinds of practices managers themselves define by corporate branding. I consider these kinds of studies problematic because, as Knox and Bickerton (2003) note, there remains considerable uncertainty over what corporate branding means or should mean in terms of concrete management practices. Furthermore, there is considerable uncertainty especially over what corporate branding specifically in the sense of pursuing certain images in different stakeholders' minds means or should mean, in terms of management practices. Thus, I will pay particular attention to what the practices of corporate branding were that the management of the Finnish P&P corporations actually became interested in, and in so doing, also attempt to follow the ANT tenet that "actors themselves make everything, including their own frames, their own theories, their own contexts, their own metaphysics, even their own ontologies" (Latour 2004). I will attempt to describe the "procedures which render actors able to negotiate their ways through one another's world-building activity" (Latour 1999a, p. 21), rather than attempt to explain actors' behaviour and reasons with my own constructs as a researcher.

Finally, there has been little empirical investigation of such management interests which are potentially suppressed by engagement with management practices of corporate branding. The management practices may be somehow against some interests of some particular managers. I will study also interests "Othered" in this way. This actually positions my study somewhat in the field of ANT, too: as discussed below, ANT authors are increasingly interested in studying "Otherness", when certain interests are served in certain transformations, but certain others suppressed.

1.2.2 Industrial or B2B branding research

While brands and branding have been a central topic in marketing research for decades, the research has mostly concerned business-to-consumer (B2C) companies, operating in consumer markets, and engaging in consumer marketing. On the other hand, there has been relatively little research concerning branding in B2B companies, operating in industrial or business markets, and engaging in industrial or B2B marketing. Since the Finnish P&P corporations can be considered first and foremost B2B firms, my study comes to contribute to this underresearched area of branding research. Moreover, as van Riel, Pahud de Mortanges, and Streukens note (2005), particularly little empirical research has been conducted in the domain of industrial branding. So, my study makes a further contribution especially in being an empirical study in the domain.

The lack of research concerning industrial branding has been seen as stemming from the persistent general notion that branding is less effective for industrial products than for consumer products (Sinclair and Seward 1988; Bendixen, Bukasa, and Abratt 2004). For example, Collins (1977) argued that branding was more important in consumer markets than in industrial markets, where product performance, product quality, delivery, service, and price were

stronger determinants of competitive advantage. Branding is often seen as something irrational, which would have little significance when dealing with industrial or business customers, whose buyers are assumed to make decisions largely on a rational basis (Rosenbröijer 2001). Against this background, it is worthwhile to ask how and why the management of B2B companies actually becomes interested in branding, which directly relates to the riddle of my study. The question becomes quite topical, as it has been noted that industrial marketers are becoming increasingly interested in branding (e.g. Morrison 2001; Sweeney 2002; van Riel et al. 2005; Ward, Light, and Goldstine 1999). Although there are some general surveys of how industrial marketers perceive the benefits of branding (Sinclair and Seward 1988; Shipley and Howard 1993; Michell, King, and Reast 2001), little is known about how the management of individual B2B companies becomes interested in branding.

When it comes to existing research concerning industrial branding, the first empirical studies tried to examine the potential interest that the marketing managers of companies producing industrial products generally had in (product) branding and about how they perceived the benefits of branding and brand naming (Sinclair and Seward 1988; Shipley and Howard 1993). Sinclair and Seward (1988) also surveyed retailers on the effectiveness of the branding done by the producers, when it comes to e.g. differentiation and preference in buyers' minds.

Nevertheless, since these first studies, there has been considerable confusion among researchers with regard to the concepts of brand and branding as far as industrial and business markets are concerned. Images and loyalty concerning (product) brands have been confused with images and loyalty concerning the companies supplying the brands, or products (e.g. Gordon, Calantone, and di Benedetto 1993). As analysed below, this confusion has arisen from the fact that supplier characteristics, such as delivery and service capability, have always been considered very important in industrial buyers' decision-making concerning product purchases and many studies related to industrial or B2B brands have attempted to look into the significance of brand images just in industrial buyers' decision-making. Usually researchers fail, in conceptual development and in empirical study or questionnaire design, to be consistent with referring to either product brand or supplier company image. They also often fail to be specific about whether they consider that brand images refer to perceptions buyers may have about a brand prior to a purchase related to *any* attribute they value in making the purchase; or whether they consider that brand images themselves refer only to certain "intangible" attributes, such as perceived product reliability, which can affect the purchase decision in addition to other, more "tangible" attributes which are considered in the decision-making, such as price and product and service quality. Finally, researchers sometimes fail to distinguish between brand images and the ensuing loyalty, particularly when discussing brand equity.

For instance, Mudambi, Doyle, and Wong (1997) attempt to conceptualize a framework of brand value in the B2B setting to represent customer perception of expected value. Based on interviews with manufacturers, distributors, and purchasers of industrial products, they imply that the expected value that customers associate with industrial brands comprises four elements, (1) product, (2) ordering and delivery services, (3) support service, and (4) company, each comprising "tangible" and "intangible" aspects:

> Product
>> Tangible: e.g. physical characteristics of the product
>> Intangible: e.g. innovation, fit for purpose
> Ordering and delivery services
>> Tangible: e.g. stated product availability, stated lead times

> > Intangible: e.g. ease of ordering, reliable delivery, emergency response
> > Support service
> > > Tangible: design advice, product testing, site support
> > > Intangible: understanding of customers' business, troubleshooting
> > Company
> > > Tangible: financial stability, years of experience, global coverage
> > > Intangible: e.g. company image or reputation of technical leadership or global leadership

Assessing the above, it is apparent that Mudambi et al. (1997) fail to be clear about whether they refer with their brand-associated value to the value buyers associate with product brands or with companies, or with (n)either one specifically. Also, it is confusing that they consider company image and reputation as intangible aspects of company performance – which as a whole should be one element of the perception of brand value. The confusion is, indeed, apparent. And similar confusion is apparent in many other studies (e.g. Bendixen et al. 2004; Michell et al. 2001; Mudambi 2002; Taylor, Celuch, and Goodwin 2004; Thompson, Knox, and Michell 1998) looking into industrial branding from the perspective of industrial buyers or organizational buying behaviour. For instance, Michell, King, and Reast (2001) look into how manufacturers of industrial products perceive the benefits of *product* branding but, when looking into potential brand loyalty, point to images related supplier *companies*, such as reliability, performance, service, product availability, and sales relationships. Thompson et al. even state that, in their study, they "do not differentiate between product/service brands and the company as brand" (1998, p. 25).

Other studies (e.g. Bendixen et al. 2004; Hutton 1997; Mudambi 2002), as well as an early practitioner book (Hague and Jackson 1994), in turn, are conceptually confusing merely in the sense of that they refer to brands and branding although they can be considered to be dealing categorically with *corporate* brands and *corporate* branding, when it comes to images of the company in customers' minds. In practice, this confusion stems simply from the fact that most of them fail to be specific about how their notion of brand relates to the notions of company reputation or supplier reputation or seller image, which have for long been considered by researchers of organizational buying behaviour as very influential or highly valued attributes in the buying process of industrial purchasers (e.g. Levitt 1965; Lehmann and O'Shaughnessy 1974; Möller and Laaksonen 1986; Shaw, Giglierano, and Kallis 1989; Kauffmann 1994). Although industrial branding researchers draw from organizational buying behaviour literature, they are not clear on whether these seemingly similar concepts are, according to them, the same or not. Some may explicitly indicate that there is little difference between the concepts, mentioning that reputation and corporate branding are, at the corporate level, closely related concepts (Mudambi 2002), or even conclude that brand loyalty is the same thing as firm loyalty in a certain studied product category (Gordon et al. 1993). Still, others may consider supplier reputation as *one single attribute of* brand, often as a general overall evaluation of the company in the buyers' minds (e.g. Bendixen et al. 2004; Mudambi et al. 1997). Nevertheless, it seems that, recently, the researchers are becoming increasingly consistent about viewing supplier reputation and (corporate) brand (image) as essentially the same in industrial markets, comprising buyers' perceptions of the company on various attributes important in the buying process, as well as buyers' awareness of or familiarity with the company (see Mudambi 2002; van Riel et al. 2005).

In the above, I have referred to nearly all reported studies related to industrial or business-to-business branding. As implied, most of the work at least implicitly

deals with or discusses, not product brands, but company or corporate brands (recently more explicitly, e.g. Mudambi 2002; Bendixen et al. 2004; van Riel et al. 2005). Moreover, also the notion of corporate branding being about images in the minds of all stakeholders, not just customers, has been recently pointed out by researchers of B2B branding (e.g. Bendixen, Bukasa, and Abratt 2004), like branding researchers in general. It actually seems that, in conceptual and normative work around branding, also in the B2B context, the same corporate branding aspects are increasingly emphasized which I discussed in the previous section: e.g. the shaping of organizational culture and employees' behaviour, internal communication, brand visions and values, and brand measurements (e.g. Schultz and Schultz 2000; Schultz 2001; Lynch and de Chernatony 2004; Munoz and Kumar 2004). It has been pointed out that the important role of organizational culture, employees' behaviour, and internal communication is highlighted particularly with respect to B2B companies, since personal selling and interactions between the company's service people and customer are at the heart of B2B marketing (Lynch and de Chernatony 2004).

Recognizing that company or supplier reputations among customers – corporate brand – and even the role of behaviour of e.g. salespeople, have for long been considered important by industrial marketers, it is worthwhile to ask why the management of a B2B company would suddenly become interested in corporate branding. Taking this together with the question I posed above as one that is worth asking, we have two questions – a little paradoxically. How and why would the management of a B2B company become interested in branding if branding is, by assumption, not effective in B2B marketing? And how and why would the management of a B2B company suddenly become interested in corporate branding if they have always considered the reputation of their corporation among customers – corporate brand – very important. This two-sided issue essentially relates to the riddle of my study.

On the other hand, the intriguing nature of the riddle is only increased if it is recognized that *corporate* branding has been seen to be about managing and creating positive images of the company in the minds of all stakeholders, not just customers. Namely, it seems unlikely that the managers of any company would become interested in "corporate branding" just in order to make "all stakeholders have positive image of the company" in a vague and all-embracing way. It is more likely that they become interested in certain management practices of corporate branding, as these are considered to serve certain specific interests related to certain stakeholders. It will be interesting to see what interests related to customers, on the one hand, and to other stakeholders (which?), on the other, the management practices of corporate branding would potentially serve.

Further and finally, like with corporate branding research in general, as well as B2B branding research in particular, I have identified no studies that would look into how management of individual B2B corporations becomes interested in corporate branding and what kind of management practices the management actually becomes interested in, as they become interested in corporate branding. There are examples of B2B companies' management engaging in building a product brand (McQuiston 2004) and business unit brand (Rozin and Magnusson 2002) but even they do not pay attention to what the actual practices of branding are that the management of these companies becomes interested in. It is not clear, either, to what extent the researchers are only interpreting certain management practices as corporate branding, instead of paying attention to what kind of practices managers themselves define by branding. On the contrary, I will look into how the management of specific B2B corporations becomes interested in corporate

branding and what kind of explicit management practices the management becomes interested and engages in with it. I find this particularly important with regard to B2B branding, due to the confusion that even researchers have had with the concept of brand and corporate brand in the field.

1.2.3 Finnish P&P industry research

Research concerning Finnish P&P industry being, in itself, a research area with fairly strong traditions in Finland[4], some discussion has recently started to emerge around the growing importance of and emerging interest in branding, also specifically concerning the Finnish P&P industry (e.g. Laurila and Lilja 2003; Haarla 2003). However, there has been little exploration of the emergence of interest in branding, especially corporate branding, in association to the above-mentioned aspects of shareholders and shareholder value; differentiation in the market; selling own products; international expansion; and environmental responsibility issues and developments related to them. Moreover, the emergence of interest in corporate branding in association to mergers and acquisitions in the late 1990s and early 2000s has not been carefully examined either. My present study makes a contribution here.

On the other hand, at this point, it can be noted that the taken-for-granted aspects referred to above, as well as the mergers and acquisitions in the late 1990s and early 2000s, reflect some of the most important changes during the last two decades in the Finnish P&P industry and corporations. Also academic research concerning the Finnish P&P industry has produced some accounts of changes related to the (taken-for-granted) aspects of shareholders and shareholder value (e.g. Tainio and Lilja 2003; Näsi, Ranta, and Sajasalo 1998; Tainio 2003; Näsi and Sajasalo 2006); differentiation in the market (e.g. Haarla 2003; Rohweder 1993); selling own products (e.g. Sajasalo 2003; see also Heikkinen 2000); international expansion (e.g. Sajasalo 2003; Heikkinen, Lamberg, and Ojala 2001; Moen and Lilja 2003; Laurila and Ropponen 2003); and environmental issues (e.g. Kuisma 2004; Halme 1997, 2002; Karvonen 2000; Lahti-Nuuttila 2000; Joutsenvirta 2006; Lehtinen, Donner-Amnell, and Saether 2004). However, individual accounts tend to concentrate on only one or two of the aspects and/or are somewhat lacking in historiographic nature (with some exception to Näsi, Ranta, and Sajasalo 1998; Näsi, Lamberg, Ojala, and Sajasalo 2001; Laurila and Lilja 2002; Lamberg and Laurila 2005; Lamberg, Näsi, Ojala, and Sajasalo 2006). Business histories of P&P corporations (e.g. Ahvenainen 1992; Nordberg 1998), in turn, are historiographic in nature and can deal more extensively with the different aspects and the related developments, but do not cover the last decade(s). So, even if the primary aim of the present study is *not* to be a historical study of the development of the different aspects per se, it does provide a certain kind of historical account uniquely reflecting *all* the different aspects and the interrelated developments associated to them – while examining the emergence of the interest in corporate branding in relation to them.

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[4] In the Finnish society, national economy, and business life, the P&P corporations and industry have traditionally had a very central role. Although the relative significance of the P&P industry to Finland has decreased in recent years, the industry still (in 2004) accounts, for instance, for some 4 per cent of the GDP, 17 per cent of the industrial production, and 24 per cent of exports. Of employment in Finland, the industry accounts directly for some 3 per cent and is additionally a very important indirect employer. (Finnish Forest Industries Federation, http://www.metsateollisuus.fi/talous/merkitys/ [Accessed 15.3.2006])

1.3 Actor-network theory (ANT) approach

Above, I already implied that an actor-network theory (ANT) approach to the study and analysis is central to my research. I mentioned the usefulness of ANT tenets in paying attention to what the practices of corporate branding were that the management of the Finnish P&P corporations actually became interested in, rather than defining myself what corporate branding is, interpreting certain management practices as corporate branding, and arguing for certain benefits resulting from the interest in them. In this section, I will more specifically outline how my research uses an ANT approach and helps to overcome certain problems related to more traditional approaches; discuss the level of commitment of my approach to ANT and some compromises made; and point out some additional aspects further positioning my research in the ANT corpus. Nevertheless, to serve management and organization researchers, I will start by briefly reviewing what ANT is about – and what it is not about.

Note that in Part II and Appendix A, I provide a more detailed discussion of ANT: how it is, rather than a theory of anything, an ontology, on the one hand, and a way of studying and analysing things, on the other.

1.3.1 What is ANT?

Addressing the question what ANT is about is by no means simple and straightforward. The difficulty rises from the fact that what has been referred to with the name "actor-network theory", or later with the acronym "ANT", has never been a coherent theory. Namely, rather than being a coherent theory – if a theory at all (see e.g. Law 1999a; Latour 1999a; Callon 1999) – actor-network theory is a signifier that somewhat slowly – and perhaps somewhat unintentionally – emerged in the 1980s, more or less pointing to the rather heterogeneous work of a group of sociologists associated with, and in many cases located at, the Centre de Sociologie de l'Innovation of the Ecole Nationale Superieure des Mines de Paris (Law 1992), and particularly to the work of Bruno Latour, Michel Callon and John Law and their science and technology studies. The association of ANT to these sociologists was especially notable in the 1980s and early 1990s. Since the mid 1990s, however, there has been a growing interest in using and elaborating on the insights and concepts developed by these "original ANT authors" among researchers with a variety of backgrounds, in a variety of social science fields. These include, *inter alia,* anthropology (e.g. Strathern 1996), psychology (e.g. Michael 1996), politics (e.g. Mol 1999), economics (e.g. Callon 1998), and, as I review in Appendix A, management and organization studies. Since insights and concepts "drawn from ANT" have thus been "applied" in increasingly varied ways in studies of different researchers, viewing ANT as a coherent theory has become increasingly impossible.

At the same time, when researchers with various backgrounds are increasingly "drawing on" or "applying" ANT, the "original" ANT authors are, somewhat paradoxically, seemingly less and less willing to do their work in the name of ANT. For instance, John Law (1999a, p. 2) notes that

> the naming and the easy transportability of 'ANT' surely also sets alarm bells ringing. For the act of naming suggests that its centre has been fixed, pinned down, rendered definite. That it has been turned into a specific strategy with an obligatory point of passage, a definite intellectual place within an equally definite intellectual space…

> The naming, the fixity and the triumphalism – I want to argue that in current circumstances these pose the larger danger to productive thinking – the larger danger to the chance to make a difference, intellectually and politically. My desire…is to escape the multinational monster, 'actor-network theory', not because it is 'wrong' but because labelling doesn't help.

Indeed, it seems that scholars currently doing forefront research in the name of ANT – if they even happen to acquiesce to explicitly mentioning the name ANT – are reluctant to give a fixed definition of it and rather portray it is being in a state of permanent revolution. According to Latour (1999a), "[f]rom the very beginning, ANT has been sliding in a sort of race to overcome its limits" (p. 20). Lee and Hassard (1999, p. 392) further note that:

> At every moment it seeks to overcome its own limits. This description might, at first, lead us to draw comparisons with those imperialist revolutionaries of yesteryear who 'overcame' their boundaries by extending them; placing agents in key positions in neighbouring administrations, hurrying their neighbours' collapse and incorporation. No strategy could be more modern than that. But ANT's 'sliding' is no imperialist revolution. ANT 'overcomes its limits', not by enforcing its boundaries – its view of what belongs and what does not – on others, but by removing from itself any terms and conditions that might serve to exclude others. ANT races against itself, against any tendency it might have to produce boundaries and thereby rule out possible future relationships…
> ANT is characterized by an antipathy to self-definition. This antipathy exhibits itself as ANT's habit of failing to forge its own internal and external boundaries. This is the key to ANT's 'success'.

Despite this "antipathy to self-definition", the leading ANT authors have – fortunately for those not familiar with it – in the 1990s made some attempts to describe what is at the heart of this theory that has its roots in the early 1980s. The question can actually be, to some extent, considered to have been about constructing ANT as a theory as well as describing it, since, as mentioned, there existed no coherent actor-network theory but rather a reference to the heterogeneous work done during more than a decade by a group of sociologists. Of the original authors, John Law has been one of the most active in making attempts to outline ANT in the 1990s (e.g. 1992, 1994, 1999a, 1999c). In the introduction to *Actor Network Theory and after,* a book bringing together the central contributors to ANT and exploring ANT's achievements, as well as future prospects, he notes that, basically, ANT "may be understood as a *semiotics of materiality*" (Law 1999a, p. 4, emphasis in the original). This implies that it may be most feasible to consider ANT first and foremost a world-view or an ontology. This is reflected also by Bruno Latour (1999a), who implies that a more accurate name for ANT could be "actant-rhizome ontology" (p. 19; see below for why Latour does away with the term "actor-network", too). On the other hand, what follows from ANT ontology is that it can also be seen merely as a way of studying and analysing (Latour 2004, 2005): "ANT is more like the name of a pencil or a brush than the name of an object to be drawn or painted" (Latour 2004).

Importantly, the ANT approach of the present study is primarily based on Latour's (2004, 2005, 1999a) and Law's (1999a, 1999c) accounts of trying to explicate what ANT essentially is about – rather than on some of the heterogeneous work referring to ANT and applying concepts developed by ANT authors or on other social science research streams which have influenced ANT.

What ANT is *not* about?

Before looking deeper into what ANT is about, I want to point out something to researchers particularly in fields of marketing, strategy and management and organization studies. In these research fields, the past decade has witnessed an explosively growing interest in networks of various kinds. For instance, social network theory has gained ground particularly in strategic management research since the 1970s and more rapidly since the early 1990s, informed by the work of e.g. Granovetter (e.g. 1973, 1985) and Burt (1992). On the other hand, particularly in marketing research, the Industrial Network Approach (Ford 1990, 1997; Ford et al. 1998; Håkansson 1987; Håkansson and Snehota 1995) of the IMP tradition has become very popular. Moreover, in very recent years, there has been an emerging interest in Strategic Value Net Approach (Gulati, Nohria and Zaheer 2000; Jarillo 1988, 1993; Parolini 1999), which focuses on the strategic management of business nets and uses the value creation perspective as its point of departure, and complements the Industrial Network Approach, which is relatively silent with regard to the management of intentional business nets. And then there is, of course, Manuel Castells's (1996) fairly recent and immensely popular book on network society and economy in the context of globalization, as well as the extensive academic and popular press writing on information networks, which has hardly escaped the attention of anyone on our globe.

As a simple rule of thumb for researchers in the fields of marketing and management and organization studies, the above-mentioned other network theories, views, and approaches have little to do with ANT. This seems to be true particularly for the ANT ontology and approach explicated by e.g. Latour (2004, 2005, 1999a) and Law (1999a, 1999c) – if the various social science research streams which may have commonly influenced ANT and the others are not taken into account through science historic analysis. Many of the assumptions of the other network theories and approaches are, actually, rather contradictory with the ANT ontology and approach. A detailed comparison is out of the scope here but at least one straightforward contrast is worth making. Namely, the above theories, views, and approaches are basically interested in networks of actors, where actors are usually *a priori* assumed to be business or non-business organizations, and sometimes individual persons, or organizational departments. In contrast, in ANT, an actor is not *a priori* assumed to be, for instance, an organization or an individual. ANT makes no assumption about what an actor is like; it assumes the radical indeterminacy of the actor (Callon 1999). Moreover, ANT's notion of actor-network (from the original French term *acteur reseau*) can be considered to denote not only that actors form networks with other actors but also that actors themselves are always networks – the actor-network term is *"intentionally oxymoronic"* and "embodies a *tension… * which lies between the centred 'actor' on the one hand and the decentred 'network' on the other" (Law 1999a, p. 5). Actually, ANT is often interested in how something that does not look at all like a network, e.g. an individual state of mind, a piece of machinery, a fictional character, or a person – or management interest in corporate branding – can be described as an assemblance of a network (Latour 2004). Finally, whereas most network accounts suggest that the position of an individual or an organization in the network structure determines opportunities and constraints that the individual or organization will encounter, in ANT, the network is not any kind of static structure in which the individuals or organizations are embedded. Rather, the notion, or the metaphor of network merely suggests that entities take their form and acquire their attributes as a result of their relations with other entities – they are network effects (Law 1999a).

Thus, for a reader not familiar with ANT, it is useful to adopt an initial mindset of considering ANT as having little in common with the other theoretical approaches dealing with "networks" and "actors". Admittedly, approving of this may be difficult, for particularly the word "network" currently carries metaphorical baggage, due to the popularization of this term in the context of social networks, industrial or business networks, and information networks, which it did not yet carry in the 1980s when it was first introduced (Law 1999a; Latour 1999a). The metaphorical baggage is basically why many of the original ANT authors would rather get rid of the metaphor. Furthermore, it is important to understand that, when studying a certain phenomenon, it is difficult to integrate some theories – be they "network"-related or something else – to the ANT ontology and approach advocated by e.g. Latour (2004, 2005, 1999a) and Law (1999a, 1999c). After all, ANT is, as mentioned, actually an ontology, a semiotic one, or a relativist one (Lee and Hassard 1999) and theories based on different ontological assumptions are difficult to integrate.

What ANT is about?

As mentioned, ANT can be seen, on the one hand, as an ontology and, on the other hand, a way of studying and analysing things. Seen as an ontology, ANT is a semiotic one, or a relativist one (Lee and Hassard 1999). In ANT, all actors, as well as generally all orders and all objects to which one can point to, are viewed ontologically as ordered networks of heterogeneous materials (Law 1994). They are ordered and patterned networks of heterogeneous materials whose resistance has been overcome – or relational effects of ordering of these materials. So, in being about semiotics of materiality, ANT takes the semiotic insight of the relationality of entities, i.e. of that entities take their form and acquire their attributes as a result of their relations with other entities, and applies this ruthlessly to all materials (Law 1999a). Here ANT has much in common with poststructuralist work, however with the distinction that ANT does not focus on language alone, but on any materials one cares to mention – people, their thoughts, voices, and bodies, texts, machines, animals, money, architectures, etc. ANT is about heterogeneous networks, about relational materiality (Law 1999a).

Particularly concerning action and actors, in ANT ontology, capacity of action or agency is not a human attribute alone (Law 1991b; Callon and Law 1997). Action is seen as a property of a network and equivalent to specific and materially heterogeneous relations, or "hybrid collectives" (Callon and Law 1995). It has no identifiable source, such as human agent – or computer, social structure, or the divine – but is located through heterogeneous patterns. Each element of a network "relays" and "prolongs" action of the collective without being the source itself.

On the other hand, in ANT, the commitment to semiotics of materiality necessarily means a certain way of studying and analysing things. Law (1994) considers important for an ANT study to focus on tracing local and contingent histories of orderings, which ANT authors often call "translations", rather than on providing synchronic snapshots, like many poststructuralist studies do. Furthermore, in ANT, attempting to be loyal to semiotics of materiality calls for being agnostic about the generic locus of action and agency that structures these associations. Also, it calls for refraining from appealing to some overarching, general analytic constructs, such as power, knowledge, intellectual or cognitive skills, human or political interests, social class or God, that would do all the necessary explaining (e.g. Latour 1986, 1999a; Michael 1996).

Basically, ANT ontology of semiotics of materiality calls for a researcher, in his or her analysis, to abstain "from frameworks altogether and just describe the state

of affairs at hand" (Latour 2004), to provide local and contingent descriptions that reflect the network under study. This means, as Latour (1999a) notes, learning from actors "without imposing on them an *a priori* definition of their world-building capacities" (p. 20). Further, it means to systematically avoid replacing "their sociology, their metaphysics and their ontology with those of the social scientists" connecting with them through some research protocol. The tenet is that "actors themselves make everything, including their own frames, their own theories, their own contexts, their own metaphysics, even their own ontologies" (Latour 2004). A description of these, of "procedures which render actors able to negotiate their ways through one another's world-building activity" (Latour 1999a, p. 21), rather than an attempt to explain actors' behaviour and reasons with the researcher's own constructs, is central.

Finally, it can be noted that when tracing local and contingent histories of orderings, ANT authors often pay attention to controversies between various parties and how they are more or less settled (Latour 1987; Latour 2005). At the same time, they often pay attention to how effects of power and domination are produced (e.g. Latour 1986; Law 1991b; Latour 2005). In this, ANT shares some common ground with, for example, Foucault's (e.g. 1971) ideas on genealogy.

1.3.2 ANT approach to studying the riddle: Description in Parts III and IV

In the following, I discuss how I make use of an ANT approach in studying the riddle of how the management of the Finnish P&P corporations became interested in corporate branding. This discussion also serves as an introduction to the general structure and logic of Parts III and IV of the Thesis. In Figure 1 below, I provide an illustration of the structure and logic of Parts III and IV, their relationship, and the description therein. What is described in the various chapters is illustrated in the Figure with grey elements.

Figure 1: Structure and logic of
Parts III and IV.

PART IV:
Translations of management interests to management practices of corporate branding

CHAPTER 8.1, 9.1, 10.1, 11.1:
Management practices of corporate branding [MP's]

CHAPTER 8.2, 9.2, 10.2, 11.2:
Translations of management interests to management practices of corporate branding [MI's→MP's]

Management interests by the 2000s

	Man. practice of corporate branding MP#1	Man. practice of corporate branding MP#2	Man. practice of corporate branding MP#3	Man. practice of corporate branding MP#4	Man. practice of corporate branding MP#5	Man. practice of corporate branding MP#6	Man. practice of corporate branding MP#7	Man. practice of corporate branding MP#8	Man. practice of corporate branding MP#9	Man. practice of corporate branding MP#10	Man. practice of corporate branding MP#11
Management interest (in corporate branding) #MI1		transl			transl						transl
Management interest (in corporate branding) #MI2		transl		transl					transl		transl
Management interest (in corporate branding) #MI3		transl	transl					transl			transl
Management interest (in corporate branding) #MI4			transl							transl	
Management interest (in corporate branding) #MI5			transl	transl			transl				
Management interest (in corporate branding) #MI6		transl								transl	
Management interest (in corporate branding) #MI7			transl					transl		transl	
Management interest (in corporate branding) #MI8			transl	transl						transl	
...										transl	transl
Management interest (in corporate branding) #MI18		transl			transl			transl		transl	transl

transl.: MI#x→MP#y

CHAPTER 10.3,11.3:
Management interests Othered by corporate branding

		Oth.		Oth.			Oth.	Man. interest Othered #1
	Oth.	Oth.					Oth.	Man. interest Othered #2
Oth.			Oth.	Oth.			Oth.	Man. interest Othered #3
		Oth.					Oth.	Man. interest Othered #4
Oth.			Oth. Oth.					Man. interest Othered #5
		Oth.						...
								Man. interest Othered #13

PART III:
Management interests (in corporate branding) by the 2000s and in the moments of mergers and acquisitions

CHAPTER 5: Start situation in the early 1980s: Aspects *not* taken for granted

IN THE EARLY 1980S

CHAPTER 5.1
NOT TAKEN FOR GRANTED:
Shareholders, shareholder value, share price

CHAPTER 5.2
NOT TAKEN FOR GRANTED:
Differentiation in the market

CHAPTER 5.3
NOT TAKEN FOR GRANTED:
Selling own products

CHAPTER 5.4
NOT TAKEN FOR GRANTED:
International expansion

CHAPTER 5.5
NOT TAKEN FOR GRANTED:
Environmental responsibility issues

CHAPTER 6: New management interests (in corporate branding) amidst black-boxing of the taken-for-granted by the early 2000s

CHAPTER 6.1
Shareholders, shareholder value, share price (black-boxing)
Mobilizations Interest Mobilizations Interest I M I I I

CHAPTER 6.2
Diff. of products AND Selling own products (black-boxing)
Mobi... ns Interest Interest M I I M I M I

CHAPTER 6.3
Mobilizations Interest Interest M I I M I M I
Selling own products AND Diff. beyond products (black-boxing)

CHAPTER 6.4
International expansion (black-boxing)
Mobilizations Interest Mobilizations I M I I I

CHAPTER 6.5
Environmental responsibility issues (black-boxing)
Mobilizations Interest M I I M I M I I

CHAPTER 7: New management interests (in corporate branding) and moments of mergers and acquisitions around year 2000

Interest Mobilizations Interest I M I I
Mergers and acquisitions around year 2000

BY 2000S

BY 2000S

As implied above, earlier work in corporate branding and B2B branding research, to which I aim to primarily contribute, provides little guidance for how to approach the riddle of how the management of the Finnish P&P corporations became interested in corporate branding. Thus, it is reasonable to look at management and organization research in general for an approach. In what follows, I present some alternative approaches which I could have chosen, as well as the ANT approach which I chose.

Some alternative approaches

Institutional and cultural explanations vs. rational. A typical management and organization research approach would assume "corporate branding" to be an organizational or administrative innovation or a fashionable management concept, theory, or technique. A commonplace assumption is that organizations adopt administrative innovations or new management concepts, at least in part due to managers having rational interests in improving the (technical, operational) performance, efficiency, or competitiveness of the organization (Brickley et al. 1997; Grint 1997; Jackson 2001).

Nevertheless, a typical management and organization research approach to studying the adoption of new management concepts relies on neo-institutional theory. The theory basically suggests that the adoption of an innovation may not only be due to interest in improving the operational performance of the organization but also due to interest in gaining legitimacy in the organizational field (e.g. Meyer and Rowan 1977; DiMaggio and Powell 1983; Tolbert and Zucker 1983; Scott 1995; Westphal and Zajac 2001). On the other hand, gaining legitimacy is seen to be linked to institutional forces, such as mimetic, coercive, and normative forces (e.g. DiMaggio and Powell 1983, 1991; Meyer and Rowan 1983; Scott 1995). As an explanation to the observation that organizations seem to adopt largely the same management concepts, the researchers often refer to mimetic, coercive, and normative isomorphism, corresponding to these institutional forces. Especially under conditions of uncertainty and information overload, managers are seen to be forced into taking action that resembles the lead by others in the field.

Despite the notion of managers' pursuit of legitimacy, it is mostly viewed that the institutions exist as structures, which exert institutional forces, and cannot be reduced to aggregations or direct consequences of individual (managers' or companies') attributes or motives (DiMaggio and Powell 1991). In this sense, institutional explanations of the adoption of management concepts are similar to explanations with the cultural, socioeconomic or political contexts: the emergence and wide adoption of management concepts is basically explained with the (structural) contexts (e.g. Barley and Kunda 1992; Abrahamson 1997; Thrift 1997; see also Jackson 2001) .

Fashion view. Since it has been observed that not only do organizations adopt the same management concepts, but that the adoption patterns across organizations seem to resemble fashion cycles, particular theories of management fashions have been increasingly explored. The fashion view is an attempt to make sense of the emergence, exponential proliferation and abandoning of new, somewhat packaged, management concepts (Abrahamson 1991, 1996; Mueller and Carter 2005). Not inconsistent with institutional theory, in the fashion view, managers are seen to have increasingly become dedicated followers of fashion, adopting new management concepts that are perceived to be at the zenith of management thought and practice, not only to improve organizational performance through the logic of the concept, but also to meet stakeholder expectations – to gain legitimacy – as the number of adoptions by other

organizations around them increases (e.g. Barringer and Milkovich 1998; Abrahamson and Rosenkopf 1993; Abrahamson and Fairchild 1999).

Moreover, researchers taking the fashion view have paid attention to a powerful management fashion setter complex, having a supply side role in terms of the production of new management concepts, as well as a role in their proliferation (e.g. Kipping 2001; Fincham 1999; Kieser 1997; Wilson 1992; Abrahamson 1996). Management fashion setters, such as consulting firms, management gurus, business mass-media publications, and business schools are seen to generate and argue for new management concepts supposed to rationally improve the performance of organizations. They are also seen to play a part in the institutional forces and legitimization related to them. Further, their rationality and legitimacy appeals are seen to involve charisma and emotion (see Jackson 2001; Huczynski 1993b). It has been suggested that in the face of increased uncertainty and spiraling competition, managers may turn to the charismatic figure of e.g. an individual guru for guidance, largely as an act of faith. They may become interested in adopting a new management concept, as their needs are addressed by consultants' and gurus' charismatic or emotional, or even spiritual, mysterious, magical, or fantasy appeals (Jackson 1996, 2001; Clark 1995; Clark and Salaman 1998; Gill and Whittle 1993; Huczynski 1993b) . Finally, it has been proposed that management fashion setters are actually in a "race" to sense managers' emergent collective needs for new techniques, to develop rhetorics that describe these techniques and to disseminate these rhetorics back to managers and organizational stakeholders (Abrahamson 1996) – even acknowledging that the concepts which sell today will soon be abandoned and replaced (Huczynski 1993b; Jackson 2001). Rhetorics, according to Abrahamson (1996), not only create the belief that the techniques are rational, but also that they are at the forefront of management progress.

ANT Approach chosen

Even if there are emerging explanatory accounts concerning the adoption of new (fashionable) management concepts, a major deficiency is that most of them do not pay attention to (1) how the management of *individual* organizations becomes interested in particular new management concepts. As Jackson (2001) notes, research inspired by the neo-institutional theory has mostly focused on tracking and modeling the diffusion of selected management concepts and their life-cycles. As Mueller and Carter (2005) note, it has been common to track and model management fashions by conducting bibliometric analyses, whereby the supposed popularity of a management concept is linked to the number of articles published on it.

As Jackson (2001) further notes, some researchers have, in turn, attempted to shed light on the dynamics and relationships between the various management supply-side fashion-setters. The focus has been, particularly in research concerning management consultants and gurus and their appeals involving charisma and emotion (Jackson 1996, 2001; Huczynski 1993b; Gill and Whittle, 1993; Clark 1995; Clark and Salaman 1998; Clark and Greatbatch 2002), on the (marketing) strategies and rhetorics used by the management fashion setters. Again, little attention has been paid to the management of *individual* organizations and their interest in particular new management concepts.

Moreover, although the notion of "decoupling" suggests that the extent to which companies actually adopt and implement innovations may deviate from their statements of adoption (Meyer and Rowan 1977; Westphal and Zajac 2001; Zbaracki 1998), it has often been assumed that (2) the popular management

concepts merely diffuse as ready-made packages among companies, (3) due to e.g. institutional or cultural contexts, structures, or forces, or the performance of management fashion setters. It has been largely ignored that managers engage in *structuring, translating, and socially constructing* the management concepts in their organizations (cf. Zbaracki 1998; Mueller and Carter 2005; Morris and Lancaster 2006).

Furthermore, the issue of (4) the management interest emerging in a *historical process* of an individual company, ultimately even at a certain moment in that company's history, has not been paid much attention to (cf. Mueller and Carter 2005). Finally, there has been an underlying assumption that (5) a uniform and unproblematic management subject exists in the order of things, and it has been neglected that (6) there may be potential controversies and power issues among managers at play in the adoption process (cf. Knights 2002; Knights and McCabe 1999; Sewell and Wilkinson 1992; Mueller and Carter 2005).

Note that I refer to the above points (1)-(6) when discussing, in the following, the ANT approach which I chose.

In order to gain better understanding of how the management of the large Finnish P&P corporations – (1) individual organizations – became interested in corporate branding – a particular new management concept –, I chose to adopt an ANT research approach, instead of some of the alternative, more traditional approaches. First of all, I follow the ANT tenet of "actors themselves make everything" (Latour 2004) in looking into what the practices of corporate branding were that the management of the Finnish P&P corporations themselves became mainly interested in, and how they became interested in them. Looking into how the managers socially construct the new management concept of corporate branding is particularly important, since, as Knox and Bickerton (2003) note, there remains considerable uncertainty over what corporate branding means or should mean in terms of concrete management practices. It also means overcoming some problems I implied earlier concerning branding research: I abstain from defining myself what corporate branding would be in the case of the Finnish P&P corporations and their management, from interpreting certain management practices as corporate branding, and from arguing for certain benefits resulting from the interest in them. Furthermore, it means, relative to the discussion above, that (2) I abstain from viewing the concept of corporate branding as something that merely diffuses to a company as ready-made (see e.g. Latour 1987), as well as (3) explaining the interest with theoretical concepts of social scientists (see e.g. Latour 2005), such as institutional or cultural contexts, structures, or forces or the charismatic performance of management fashion setters.

I also abstain from applying specific levels of analysis, as is usually done in management and organization studies. I do not pay any particular attention to whether different entities reside on e.g. societal level, environmental level, industry level, firm-in-the-industry level, interorganizational level, firm level, functional level, management level, or individual level. As called for by ANT, I describe procedures which render actors able to negotiate their ways through one another's world-building activity and, actually, abstain from my own or other researchers' frameworks altogether and just describe the state of affairs at hand. Thus, in Latour's words, I attempt to be faithful to the insights of ethnomethodology: actors know what they do and we have to learn from them not only what they do, but how and why they do it (Latour 1999a).

Further, I adopt the view of not considering even the term "network" in actor-network theory as referring to a construct, or to something that is to be drawn by the description, and recognize that ANT says nothing about the shape of what is

being described with it. I attempt not only to show that the management interests are constituted of connections, interconnections and heterogeneity, but to emphasize, in the description, the work, the movement, the flow, and the changes – "worknet" instead of "network" (Latour 2004). So, I use ANT as "more like the name of a pencil or a brush than the name of an object to be drawn or painted" (Latour 2004). I use it to trace and describe local and contingent histories of orderings (Law 1994).

Adopting an ANT approach to describe local and contingent histories of orderings is feasible in addressing what I mentioned to be one neglegted aspect (4) in e.g. the traditional approach to studying the adoption of organizational innovations: how the management interest in a concept like corporate branding emerges in the historical process of an organization. Actually, my approach becomes somewhat close to a historical or business history approach in management and organization research. On the one hand, a historical approach involves, by default, more or less descriptions of local and contingent histories of orderings. On the other hand, in a historical approach, the researcher tends, *less* than in most other management and organization research approaches, to use his/her own frameworks and theoretical concepts to explain the actors' world-making (Latour 2005). For instance, Latour (2005) considers that Ginzburg's (e.g. 1980, 1989) historical approach is worth appreciating, from the perspective of ANT. It can be noted that concerning Finnish P&P corporations, more or less historical approaches to studying diverse aspects of the development of the corporations during the last century, albeit excluding the last decade or so, have been used (e.g. Näsi, Ranta, and Sajasalo 1998; Näsi, Lamberg, Ojala, and Sajasalo 2001; Ahvenainen 1992; Nordberg 1998; Lamberg, Näsi, Ojala, and Sajasalo 2006).

Nevertheless, my ANT approach must also be, to some extent, contrasted with a traditional historical approach, when it comes to being sensitive to certain issues. One thing to note is that as a primary phenomenon under study, how the management of a company becomes interested in a new management concept such as corporate branding is not very typical for a historical or business history approach. So, relative to more traditional historical approaches, an ANT approach serves first to ensure sensitiveness concerning what management practices of corporate branding the management actually became interested in. It serves to ensure that (2) we do not consider the concept of corporate branding as an unproblematic concept which is adopted by the management as ready-made.

Furthermore, recall that I wanted to find answers to the riddle of how the management of the Finnish P&P corporations became interested in corporate branding in relation to five taken-for-granted aspects – aspects of whose "natural continuance" corporate branding was considered by the interviewed managers. These included shareholders, shareholder value, share price; differentiation in the market; selling own products; international expansion; and environmental responsibility issues. Approaching the riddle in relation to these aspects that seemed taken-for-granted fits quite well into the ANT approach: Latour (1987) emphasizes that researchers should arrive before, or start studying things from such point on, where they were not yet taken for granted, or "black-boxed".

In terms of the structure of the Thesis, in Chapter 5, I start the description by "arriving" before the above aspects were taken for granted in the Finnish P&P corporations. In the description, I find that in the early 1980s, they were not taken-for-granted. Particularly, in the early 1980s, shareholders, shareholder value, and share price were not considered very important; the corporations were not differentiated in the market; they did not generally sell their own products; the

corporations were international only in a very narrow sense; and environmental issues were not of very critical importance.

So, I will not study the management interests in corporate branding by treating the five aspects as taken-for-granted, or somewhat "ready-made", but study the management interests while the aspects are, in Latour's words, "in the making" (Latour 1987, p. 13). In Chapter 6, I describe how different managers of the Finnish P&P corporations came to have various interests in the process of this making, or the transformations and longer-term developments that occur relative to the situation in the early 1980s, as described in Chapter 5. This is illustrated in Figure 1 with the five grey horizontal block arrows originating from the grey boxes related to the aspects "Not (yet) taken for granted" in the early 1980s. Basically, I describe developments related to the aspects, or their black-boxing, as involving (a) various specific management interests – some of which would later become management interests in corporate branding [mI's] and be served by, or "translated" to management practices of corporate branding [mP's] –, as well as (b) various concrete "mobilizations" made by the corporations, their management, and other actors. This is illustrated in Figure 1 with "Mobilizations" and "Interests" following each other inside the grey block arrows.

In practice, I make the description in Chapter 6 in five sub-chapters (6.1-6.5), as illustrated with the five grey horizontal block arrows in Figure 1. These largely correspond to the five aspects. Importantly, when making the description in sub-chapters 6.1–6.5, I especially highlight particular interests that various managers came to have towards the early 2000s. These particular management interests were among ("immediate") interests that would eventually and specifically be served by or "translated" to certain management practices of corporate branding in the Finnish P&P corporations – the translations to be described in Part IV. In Figure 1, these interests are illustrated by the thin vertical arrows that raise certain highlighted management interests up from the grey horizontal arrows to a set of "Management interests (in corporate branding) [mI's]" (by the 2000s). In the description of Chapter 6, fourteen of these kinds of interests are identified and highlighted. In the text, I highlight and make the description of these particular interests stand out in sections with a distinct typeface, or font.

Note that a traditional historical approach would hardly enable sensitivity to studying the management interest in corporate branding in relation to the black-boxing of certain taken-for-granted aspects. Some applications of a traditional historical approach could even be satisfied with portraying the interest in corporate branding simply as continuity, as a culmination of the developments related to the taken-for-granted aspects.

Then, whereas in Chapter 6 the focus of the description is on how different managers of the Finnish P&P corporations came to have various interests in the longer-term developments related to black-boxing of the taken-for-granted aspects, in Chapter 7 the focus is more on specific moments in the histories of the corporations – the aspect of "mergers and acquisitions around the year 2000" – when the management interest in corporate branding ultimately arose. I describe how managers of the Finnish P&P corporations came to have – after the longer-term developments related to the taken-for-granted aspects (Chapter 6) had mostly already taken place around the year 2000 and, further, at the specific moments of mergers and acquisitions at that time – additional interests which would later become management interests in corporate branding [mI's] and be translated to management practices of corporate branding [mP's]. I also describe how particular aspects of individual mergers and acquisitions acted to make managers have certain interests strong. In practice, when making the description, I again highlight

particular interests that various managers came to have – interests that were eventually translated to certain management practices of corporate branding in the Finnish P&P corporations – the translations to be described in Part IV.

Actually, *not* describing the management interest in corporate branding simply as continuity or as a culmination of the developments related to the taken-for-granted aspects, but instead describing the interest arising at specific moments in the history is one of the first signs of consistency of my ANT approach with Foucault's genealogy approach, as opposed to certain aspects often evident in traditional historical approaches (see e.g. Foucault 1971). While my study does *not* aim to be full-fledged genealogy, Foucault's poststructuralist thinking can be considered to be among the philosophical underpinnings of ANT. Indeed, Foucault (1971) opposes viewing history as continuity or representative of a tradition. He opposes historical approaches dissolving things and events into an ideal continuity of a teleological movement towards an end or of a natural process.

Actual resemblance to genealogy is seen in how the description in Part IV (Chapters 8–11) completes the whole of the description addressing how the management of the Finnish P&P corporations became interested in corporate branding. Somewhat consistently with Foucault's (1971) notion of emergence, or moment of arising, I pay attention to how the management interest in corporate branding ultimately emerged not only in the temporal moment of mergers and acquisitions around 2000 or simply as natural continuity or culmination of some developments – e.g. those related to the taken-for-granted aspects – but also in an interstice and place of confrontation, through some play of dominations and struggle of forces. This is an aspect which ANT somewhat shares with Foucault's thinking and what traditional historical approaches and traditional approaches to studying adoption of organizational innovations largely neglect: (6) attention to controversies and power issues when things seem to be assembled and drawn together. On the other hand, concerning the temporality of the moment of arising, ANT approach helps to show, consistent with a notion of time being folded (Latour 2005), how the management interest in corporate branding emerges as entities that have acted for a longer or shorter time and interests which managers have had for a longer or shorter time interact.

Importantly, the controversies and power issues are closely related to one more issue. Namely, whereas the traditional approaches could be inclined to (5) assume a uniform and unproblematic management subject existing in the order of things, my ANT approach, not inconsistent with a genealogy approach, helps to see how the interest in corporate branding is something that actually constructs the management of the Finnish P&P corporations more as one subject. In a way, from an ANT stance, the riddle of how the management of the Finnish P&P corporations became interested in corporate branding could be read as how a management with interest in corporate branding became constructed in the Finnish P&P corporations. So, while in Chapters 6 and 7, I describe how different managers of the Finnish P&P corporations came to have various interests in the black-boxing of the taken-for-granted aspects and at the moments of mergers and acquisitions around year 2000, in Chapters 8–11 of Part IV, I describe how the management practices of corporate branding would serve some of those various interests of different managers – which I call management interests [mI's] in corporate branding – and somewhat unified their identity more as one management subject with an interest in corporate branding. When it comes to management interests, this implies, from ANT perspective, that Chapters 6 and 7 show how different managers came to have various interests in their world-mastering efforts but Chapters 8–11 show how different managers themselves came to be somewhat mastered by corporate

branding. In Foucault's (1971) words, this somewhat shows how the emergence of the interest in corporate branding was not about a decision, a treaty, a reign, or a battle but about a reversal of a relationship of forces.

Nevertheless, at the same time, under the mask of more unity, dispersion and non-singularity of the identity of the management remained – again somewhat consistent with Foucault's thinking. First of all, different managers still had different interests in corporate branding. Furthermore, the power of certain managers, especially corporate marketing and corporate communications managers who acted as active spokespersons for corporate branding, grew considerably. The idea of actors' power growing from their becoming spokespersons for other actors' interests is classic in ANT (Callon and Latour 1981); in a somewhat similar vein, Foucault (1971) refers, in relation to emergence, to the usurpation of power and appropriation of a vocabulary turned against those who had once used it. On the other hand, the issues of dispersion and power are visible also in how the interests of certain managers, especially (sales and marketing) managers of mills, divisions, and sales offices, were somewhat suppressed or Othered by corporate branding. I explicitly describe such Othered interests in Chapters 8–11, thus making some controversies related to the emergence of the management interest in corporate branding quite clear.

1.3.3 Level of commitment to ANT and compromises?

Above, I outlined how my ANT approach helps us to see (1) how individual companies and their management actually become interested in a concept such as corporate branding; (2) how such a concept does not merely diffuse as ready-made to a company and/or (3) due to certain forces conceptualized by researchers; (4) how the interest in such a concept emerges in a historical process in relation to the black-boxing of certain aspects and ultimately at a certain moment in the history; (5) how management is not a uniform and unproblematic subject existing in the order of things but gets constructed as a more unified entity with interests in a concept such as corporate branding; and (6) how controversies and power issues among managers are at play in the emergence of interest in such a concept. Now, it has to be strongly emphasized that the contribution of the ANT approach is most evident when the descriptions in Parts III (Chapters 5–7) and IV (Chapters 8–11) are considered *as a whole* – as implied by the discussion above. Standing alone, individual Parts or Chapters, let alone fractions of the description text, do not necessarily convey the exact nature of and benefits of the use of the ANT approach. Particularly, at a micro level, the style of the description text may raise questions about the account seeming (a) to be somewhat "management-oriented", (b) to be somewhat realist rather than poststructuralist and lacking in discussion of controversies and struggle between hegemonies, and (c) to use "ANT terms" such as translation and interest in a somewhat unusual way.

Management-orientedness?

When it comes to (a) "management-orientedness", it can first be noted that the riddle of this Thesis centrally deals with management: how come the *management* of the Finnish P&P corporations became interested in corporate branding. Taking this into account, the description's fairly heavy focus on managers and management of the corporations seems rather inevitable. Actually, some kind of management-orientedness is characteristic to some classic ANT studies, too, considering their focus on companies, their managers, engineers, and researchers

(e.g. Callon 1986b; Latour 1988b; Latour 1996). Furthermore, like many ANT studies which seem to focus on managers, when I describe interests of managers, I attempt to show how they engage in trying to build the world around them by defining heterogeneous entities or actors and their relationships and making "mobilizations" to realize the defined worlds. But this by no means to suggest that only the managers would be acting unilaterally. There is a hybrid collective acting (Callon and Law 1995). All the entities involved in the managers' definitions and the consequent mobilizations made by managers act in relation to each other, as well as in relation to the managers and their interests. Moreover, I describe other mobilizations than those made by managers or the corporations, which also involve entities that act in relation to each other, as well as in relation to the managers and their interests. Although I do not, in the text, explicitly engage in discussion such as "now entity x is acting on entity y and making it do z", I want to emphasize that the whole description is basically description about how the various entities act on each other and make them do things.

Further concerning management-orientedness, recall that as a whole, the description shows how management with a certain identity became constructed in the Finnish P&P corporations – management with an interest in corporate branding. This means that I do not treat management as a subject which is entirely self-evident ontologically but pay some attention to the performative and processual configuration of ontologies, as is important from the perspective of ANT. The study points out how management with an orientation to corporate branding gets constructed as part of social ordering. It does not focus on existing interests of management but shows how the interest in corporate branding and a management subject and agency oriented to it emerge in relation to the ordering that takes place and how it relays and prolongs the different dominant rationalities of different managers.

Realism?

When it comes to (b) realism vs. poststructuralism, the style of the description text, especially the historical description in Part III, may seem to the reader quite straightforward and realist, considering the claimed commitment to ANT, which is often considered a somewhat poststructuralist or postmodern approach (e.g. Calás and Smircich 1999). This may particularly concern the description, in Chapters 6 and 7, of how different managers of the Finnish P&P corporations came to have various interests – some of which were later served by or translated to the management practices of corporate branding – as this description lacks explicit genealogical discussion of how those individual interests emerge from the struggle of forces between different hegemonistic instances. However, note that dissipating the roots of all these interests in a genealogical sense was not my aim and, besides, would have inflated the length of the already extensive description. Rather, resemblance to some aspects of poststructuralism or genealogy is seen mainly at the level of the description in Parts III and IV *as a whole*, as discussed in the previous section, in relation to how the management eventually became interested in corporate branding. Considering the whole description, even aspects such as how the management is not a uniform and unproblematic subject existing in the order of things but gets constructed as a more unified subject with an interest in a concept such as corporate branding and how controversies and power issues among managers are at play in the emergence of such a concept should become clearer to the reader.

On the other hand, it may not even be justifiable to demand that a study with an ANT approach should appear highly poststructuralist or non-realist in all parts.

For instance, Latour (2005, p. 156, emphasis added) reflects his understanding of ANT as follows: "I prefer to break them (frameworks) and follow my actors… I am, in the end, a *naïve realist, a positivist*". Latour refers to the ANT tenet that a researcher should abstain from his/her own frameworks altogether and just describe how actors themselves build their worlds, learning from the actors themselves not only what they do, but also how and why they do it (Latour 1999a). This is, after all, what I attempt to do in the description. Moreover, it can be noted that Latour's view of ANT is opposed to such versions of poststructuralism which explain things with few causes, somewhat like structuralism, only describing their effects with complex links. Latour (2005, p. 213):

> Do I really want to revert to the time where actors were considered as so many puppets manipulated, in spite of themselves, by so many invisible threads?... As this label indicates, post-structuralism is the survival of structuralism after the structure is gone, much like a chicken that goes on running after its head has been cut off. Although it has abandoned the search for coherence, post-structuralism has retained the same definition of causality: a few causes followed by long chains of passive placeholders or what I have called intermediaries

Furthermore, Latour (2005), as well as Callon and others (Callon, Lascoumes, and Barthe 2001), oppose to viewing ANT as an approach primarily insisting on dispersion and deconstruction:

> ANT has been confused with a postmodern emphasis on the critique of the 'Great narratives' and 'Eurocentric' or 'hegemonic' standpoint. This is, however, a very misleading view. Dispersion, destruction, and deconstruction are not the goals to be achieved but what needs to be overcome. It's much more important to check what are the new institutions, procedures, and concepts able to collect and to reconnect the social. (Latour 2005, p. 11)

Accordingly, I attempt, with my description, to ultimately focus on how corporate branding as a new institution, procedure, and concept is able to collect and to reconnect the social.

Use of ANT terms?

Finally, when it comes to (c) the use of "ANT terms", such as "translation" and "interest", in a somewhat unusual way, important notes need to be made, too. First of all, most studies claiming to take an ANT approach reported to date apply some of the conceptual vocabulary developed by the original ANT authors in studies of the development, introduction, and use of technology (see Appendix A). Extensive (and careless) use of the somewhat popularized terms, such as "translation", "problematization", "intéressement", "enrolment", "mobilization", or "inscription" (e.g. Callon 1986a, 1986b; Akrich 1992), is evident especially in studies centrally involving technological artefacts or accounting practices or systems. Usually, the studies also refer to the generalized symmetry principle, claim to bring together human and non-human or social and technical factors in their analytical view, and hence declare their commitment to an ANT way of studying and analysing things. However, and although analysing the level of the commitment to an ANT way of studying things in individual studies is out of scope here, it can be noted that in many studies, the level of the commitment is questionable, but still conceptual vocabulary developed by ANT is "applied". This tendency is recognized in the fields themselves, too. For instance, in the their introduction to a special issue of *Information Technology & People* about ANT and information systems, the editors (Hanseth, Aanestad, and Berg 2004, p. 119) of the issue note that:

> Within the IS field…actor-network theory seems often to have been used merely…as a way to perform a stakeholder analysis, describing and labeling the different actors, identifying interests, phases of alignment, obligatory passage points, etc. It may be discussed to which degree the deeper ontological tenets have been understood and taken seriously.

It should also be noted that studies which do not centrally involve technological artefacts or accounting systems or practices seem to be equally amenable as technology and accounting studies to merely "applying" ANT or its conceptual vocabulary but leaving the commitment to an ANT way of studying things under question. It seems that sometimes authors consciously and reflexively decide to content themselves with merely applying some concepts developed by ANT authors, which they find useful in some way. For instance, Legge (2002), in her study of the selling of knowledge and rhetorics of knowledge-intensive firms, states that she is "loosely applying" some of Latour's ideas. On the other hand, it seems that sometimes authors do the same less consciously and reflexively. A detailed analysis of the level of commitment of individual studies is beyond the scope here but a few notes can be made about what makes the level of commitment often questionable.

One such aspect is an attempt to integrate some other theoretical approaches with ANT. While ANT has been used to develop theoretical concepts which in principle can naturally be "applied" and integrated to other theoretical concepts in new studies wherever one finds them useful, I claim that this kind of application and integration is rarely possible in a manner that the new study would remain very committed to such ANT ontology and way of studying things that is described by e.g. Latour (2004, 2005, 1999a) and Law's (1999a, 1999c). Namely, since ANT is actually an ontology, a semiotic one, or a relativist one, theories based on different ontological assumptions are, in principle, incommensurable with it. These kinds of questionable integration attempts may be a problem particularly in studies which centrally focus on conceptual development rather than empirical accounts. One clear example is the study by Parkin (1996) in which he attempts to explain project managers' decision making by integrating ANT concepts and terms with ideas from e.g. social judgment paradigm and psychological and judgmental decision making process and small group decision making literature. Another clear example is the study by Sidle and Warzynski (2003) in which the authors develop a rather strange (to ANT) idea of "actor-network leader" by integrating some ANT concepts and terms with e.g. concepts related to social network theory, social capital, and leadership development. Other, less glaring examples are studies by Spira (1999), who makes use of some ANT terms in her study heavily drawing on institutional theory in looking into effectiveness of audit committees, and by Gherardi and Nicolini (2000), who draw on views of knowing processes stemming from many disciplinary backgrounds, including ANT, in looking into circulation of organizational safety-related knowledge. Nevertheless, the same problem of integration attempts is often to some extent present also with studies centrally focusing on empirical accounts. For instance, Levin and Knustad (2003), in their study of development of a leadership educational program, try to use some ANT concepts and terms with ideas related to network economy and industrial networks.

Another aspect – albeit more subtle and more difficult to analyse than the aspects discussed above – which makes the level of commitment often questionable is that a study seems to be first and foremost merely a redescription, a somewhat conventional analysis or application of some other social theory simply glossed with ANT vocabulary. Particularly often the studies, like many technology and

accounting studies, resemble simple stakeholder analyses. This seems to be in some measure the case with studies of e.g. Harrisson, Laplente, and St-Cyr (2001), Levin and Knustad (2003), and Gendron and Barrett (2004).

To the extent that "ANT studies" apply typical ANT vocabulary but have a questionable level of commitment to the ANT way of studying things, there is a potential problem. Namely, certain conceptual vocabulary is not what is at the heart of ANT. For instance, Callon (1986a) notes that e.g. the vocabulary of "translation" makes a description no more and no less valid than any other vocabulary and that Latour (1999a) implies that ANT should not be used as a way of glossing interpretation of what actors do in a different, more palatable and more universalist language. Latour (1999a, p. 20) notes:

> The ridiculous poverty of the ANT vocabulary – association, translation, alliance, obligatory passage point, etc. – was a clear signal that none of these words could replace the rich vocabulary of the actor's practice, but was simply a way to systematically avoid replacing their sociology, their metaphysics and their ontology with those of the social scientists who were connecting with them through some research protocol…

Moreover, recognizing critiques such as those of Chateauraynaud (1991) and Lee and Brown (1994), Latour (1999, p. 20) seems to be concerned about the misuse of the vocabulary:

> I agree… that a great deal of our own vocabulary has contaminated our ability to let the actors build their own space…This weakness on our part does not mean, however, that our vocabulary was too poor, but that, on the contrary, it was not poor enough and that designing a space for the actors to deploy their own categories is a much harder task than we thought at first…

Furthermore, and apparently reflecting the above, Latour (2004) questions the whole idea of "applying" ANT to something. He seems to consider that ANT may be useful in studying a range of phenomena, but only if it is not seen as a ready-made vocabulary that can be simply and mechanically applied by researchers:

> It [ANT] isn't applicable to anything! ... It might be useful, but only if it does not 'apply' to something.

Considering that extensive application of ANT vocabulary may not guarantee a high level of commitment to an ANT way of studying things and may even serve to question the level of commitment if the nature of the commitment is left undiscussed, I have chosen not to use the vocabulary extensively in the description, as well as attempted to explicitly discuss the nature of the commitment of my approach to ANT in this section. Concerning the vocabulary, I attempt to make the description according to Latour's (2005) view of that the description should mostly use actors' own language and the researcher is allowed to possess only some "infra-language" – whatever the exact vocabulary used – whose role is to enable advancement in the analysis when actors are shifting their frames of reference, while helping to stay attentive to the actors' own fully developed language and to the rich vocabulary of actors' practice.

Albeit that I have attempted to accord to the above ANT view concerning the language of the description, I have made, as implied earlier, some compromises, especially relative to the more traditional use of certain terms in ANT studies. First, reflecting the focus on managers and their world-building efforts stemming from the riddle of the Thesis, I use the term "interest" as an infra-language term to refer to managers' visions of the world (e.g. Akrich 1992), involving visions of how

certain entities (the corporation or some other entity) should be made to act (e.g. "managers became more interested in having x do y/doing v to w"), as well as definitions of certain related entities and how they will make each other act. I do not use the term "interest" to refer to visions or interests of various other entities or actors as is done in some ANT studies. Second, also reflecting the focus on managers and their world-building efforts, I use the term "translation" as an infra-language term to refer to how managers shift their frames of reference, associating certain interests with certain other interests ("having x do y would be a/one translation of having a do b"). Concerning managers' world-building, this use is fairly consistent with Callon's (1981, p. 211) view of translation as the creation of "a single field of significations, concerns, and interests" and translation as problematization, or the positing of "an equivalence between two problems that requires those who wish to solve one to accept a proposed solution for the other" (Callon, Law, and Rip 1986, p. xvii). However, I do not use the term "translation" with other transformations or processes, although in some ANT studies, the term is used as an umbrella term to refer to all the transformations and processes taking place. Moreover, with the expression ("having x do y would be *a/one* translation of having a do b"), I want to remind the reader of an issue which "management-oriented" ANT studies mostly neglect: that "having x do y" may not act only to have "a do b", which I succeed in describing as an analyst, but also to have "c do d", the description of which I may for one reason or another leave absent or fail to incorporate.

Third, at a heading level, I describe under the heading "mobilizations" how different entities *actually* act and make each other act (as opposed to managers' world-building visions). As such this use is fairly consistent with the use in earlier ANT studies, loosely referring to actions of a variety of entities. Nevertheless, under the heading "mobilizations", when it comes to describing how the corporations or units, among whose management certain P&P managers are, act, I use an infra-language expression of the kind: "the (management) interest in having x do y was strong, as z was done". This is perhaps the most unordinary aspect of the language in my description relative to earlier ANT studies. Reflecting, again, the focus on managers and their world-building efforts, by the use of this expression, I mostly assume that when the corporations or units, among whose management certain P&P managers are, acted, the action was usually largely due to certain interests of the managers. Moreover, with the expression, I want to again remind the reader of an issue which "management-oriented" ANT studies mostly neglect: that even if certain mobilizations may be done mainly with certain interests of managers which I succeed in describing as an analyst, there may be other interests the description of which I may for one reason or another leave absent or fail to incorporate. On the other hand, the use of the expression enables me to pay attention to how certain action is largely done with such different interests of the managers whose descriptions are scattered in various sections of the text – not everything can be described in one section or sequentially.

1.3.4 Further aspects of the position of the research in the ANT corpus

Although I have in the previous sections discussed the nature of my ANT approach, I want to present some additional aspects which can be considered to further position my research relative to earlier studies with an ANT approach. These relate to the research including the study of a new phenomenon, not centrally involving technology or accounting; a focus on a local and contingent

empirical account in generating theoretical insights; and a phenomenon under study involving a historical change in the state of affairs.

Study of a new phenomenon, not centrally involving technology or accounting

Importantly, the present study is an instance of the growing interest in using ANT in the field of management and organization studies, with respect to studying new topics, and moreover, new topics beyond phenomena that centrally involve technological artefacts or accounting practices and systems. This, in some measure, positions the present study within the corpus of ANT work. On the one hand, as I find in the bibliography presented in Appendix A (and B), the great majority of ANT work in the field of management and organization studies has, to date, focused on technological artefacts or accounting practices and systems. On the other hand, as I also find, ANT is now becoming more widely used in management and organization studies, also with respect to new topics beyond phenomena that centrally involve technological artefacts or accounting practices and systems. There has been a rising interest in using ANT in studying many other kinds of phenomena particularly in the very recent years, in the early 2000s.

Indeed, in the present study, I attempt to follow the original ANT authors who seem to consider that using an ANT approach is useful in studying *new* kinds of topics and phenomena. According to Law (1999b), ANT is about sensitivity to certain aspects of the world which otherwise easily remain unaccounted for in the study of social processes. These kinds of aspects are e.g. the role of materiality in interdependent and interactive relations and how asymmetries and symmetries are produced. Latour, in turn, notes (2004):

> They [other social theories] are good at saying positive things about what the social world is made of. In most cases that's fine; the ingredients are known; their numbers should be kept small. But that doesn't work when things are changing fast, and, I would add, not, for instance, in organization studies, or information studies, or marketing, or science and technology studies, where boundaries are so terribly fuzzy. New topics, that's when you need ANT for…

Of course, studying new topics with an ANT approach *per se* does not guarantee any insightful results. For instance – and here we again come back to the importance of avoiding being mislead by ANT's network metaphor – even if it seems that in relation to a phenomenon one studies, people and organizations are forming a lot of networks with other people and organizations and are connected to all kinds of things, ANT may be counter-useful, or as Latour (2004) puts it:

> you don't need Actor-Network to say that: any available social theory would do the same. It's a waste of time for you to pick this very bizarre argument to show that your informants are in a network.

In contrast, the phenomenon under study in the present study, i.e. management interest in corporate branding in the Finnish P&P corporations, is such that it hardly looks like a network and, in general, has been rather sparsely studied so far: neither ANT or other social theory approaches can be considered to have been used to provide adequate accounts of this phenomenon. So, the present study takes a position in the ANT corpus by looking into a (new) phenomenon that that has been rather sparsely studied so far and *not* centrally involving technological artefacts or accounting practices or systems, as most of the earlier ANT studies. I justify this argument in more depth in Appendix A (and B).

Focus on a local and contingent empirical account in generating theoretical insights

When it comes to the focus of the existing ANT articles in the field of management and organization research, as analysed in Appendix A, it is interesting to note that whereas ANT articles centrally involving technological artefacts or accounting systems or practices almost categorically have an empirical account in their central focus, only about a third of the rest of the articles are empirical. I find this alarming on the grounds that I consider, informed by Law, Latour and Callon that ANT is an ontology and way of studying things and that ANT studies should ideally be descriptive, local and contingent, and empirical accounts of some phenomena. This means that I also consider that studies with a focus on conceptual thinking and a lack of an empirical account, as in the majority of the articles not centrally dealing with technological artefacts or accounting systems or practices (see Appendix A), are not very well in line with what is at the heart of ANT. In contrast, the present study has a heavy focus on an empirical account, which is worth emphasizing.

Further, I want to emphasize that I attempt, through the descriptive, local and contingent empirical account, to generate such new kind of theoretical insights to the phenomenon under study which have not been – and perhaps could not be – generated with other social theories. In aiming to generate theoretical insights just through the descriptive, local and contingent empirical account, the present study is different from the majority of other ANT studies in the fields of management and organization studies not centrally involving technological artefacts or accounting systems or practices. At the same time, the account or story can, in itself, be considered a theory of the local and contingent setting and also yield potentially transferable theoretical insights. This also reflects the idea that constructing a good story already, in itself, generates theory – understanding the world that happens through the story and the plot of the story can be considered a theory (Czarniawska 1998), particularly when compared to the existing body of knowledge concerning the phenomenon.

Phenomenon under study involving a historical change in the state of affairs

When it comes to the phenomenon under study, I want to make a distinction between studies that study phenomena which do not – as traditionally seen – involve change from "state of affairs A" to "state of affairs B" in time. The reviewed studies (Appendix A) can be considered to fall along a continuum of these two polar types of studies. For instance, the study by Law (1994), which looks into social organization and ordering in a research centre, and a recent study by Middleton and Brown (2005) which looks into teamwork practice in a neonatal intensive care unit can be seen as falling near the polar type of studies of phenomena not involving any clear change from state of affairs A to B. By contrast, for instance, the study by Harrison, Laplante, and St-Cyr (2001), which looks into the introduction of TQM programmes in two metallurgical industry firms, and the study by Vickers and Fox (2005), which looks into post-acquisition rationalization of production lines, can be seen as falling near the polar type of studies of phenomena involving a clear change from state of affairs A to B. Many other studies fall between the two types on the continuum.

Even if ANT ontology and way of studying things could in principle be used equally well in both types of studies, as well as anywhere on the continuum, I find ANT generally somewhat more useful in studies falling closer to the latter end of continuum, since ANT stresses movements, flows and transformations.

Accordingly, the present study involves quite a clear change from state of affairs A to B – from the managers of the Finnish P&P corporations not being interested in corporate branding to management interested in it becoming constructed. At the same time, I could say that I am more interested in the ordering and patterning of networks, rather than on their durability (even if these, as discussed in section 2.2.2, cannot be neatly distinguished after all).

1.4 Contribution to marketing, corporate branding and B2B branding research: Research questions

All in all, my research objective is that the description of the local and contingent histories of orderings in Chapters 6, 7 and 8–11 as a whole serves as the solution to the riddle of this Thesis:
> How come the management of the Finnish P&P corporations became interested in corporate branding around the year 2000?

Further, an objective is that the description solves the riddle in relation to the following aspects and their becoming more taken-for-granted, or black-boxed by the 2000s:
> Shareholders, shareholder value, share price
> Differentiation in the market
> Selling own products
> International expansion
> Environmental responsibility issues

Moreover, an objective is that the description solves the riddle also in relation to the aspect and specific moments of
> Mergers and acquisitions around the year 2000

Indeed, I want to emphasize that the objective is basically that the whole description serves to solve the riddle. This emphasis stems from the notion that an ANT study should "just describe the state of affairs at hand" (Latour 2004). As mentioned, my ANT approach helps us to see (1) how individual companies and their management actually become interested in a concept such as corporate branding; (2) how such a concept does not merely diffuse as ready-made to a company or (3) due to certain forces conceptualized by researchers; (4) how the interest in such a concept emerges in a historical process in relation to the black-boxing of certain aspects and ultimately at a certain moment in the history; (5) how the management is not a uniform and unproblematic subject existing in the order of things but gets constructed as a more unified subject with interest in a concept such as corporate branding; and (6) how controversies and power issues among managers are at play in the emergence of interest in such a concept. I consider that in the spirit of ANT, this description cannot be easily reduced to e.g. a short verbal summary or straightforward graphical model, as a solution, or answer to the riddle. Importantly, the whole Description is, in a way, the answer – thus, the capital letter.

Nevertheless, considering that particularly marketing, corporate branding and B2B branding research traditions, to which I aim to primarily contribute, are inclined towards realist paradigm pursuing fairly concise findings to specific research questions, I want to advocate a mode of research in which one makes further, more concise findings and conclusions concerning the riddle of the study on the basis of the actual ANT Description and beyond it. Actually, this is, at the

same time, a further attempt of mine to point out what I implied already earlier by referring to Latour (2005) claiming that ANT is for "a naïve realist": that ANT and realist orientation may not have to be incommensurable.

Accordingly, a further objective of mine is, first of all, to answer certain research questions derived from and related to the riddle also in a somewhat concise and summarized way. Particularly, the objective is to find answers to the following research questions:

> **Research question 1:** What were the main (immediate) management interests in/behind corporate branding in the Finnish P&P corporations?

> **Research question 2:** What were the management practices of corporate branding which the management of the Finnish P&P corporations mainly became interested in?

> **Research question 3:** To what management practices of corporate branding were the (immediate) management interests in corporate branding translated in the Finnish P&P corporations?

> **Research question 4:** What management interests were Othered by the management practices of corporate branding in the Finnish P&P corporations?

With "immediate" management interests in corporate branding, I mean the interests that the management practices of corporate branding were considered to directly serve.

On the other hand, when it comes to solving the riddle in relation to the taken-for-granted aspects and longer-term developments related to them, my objective is to find "preconditions" for corporate branding in the Finnish P&P corporations. I consider that the preconditions can be (1) various intermediate outcomes related to the aspects of longer-term developments or, particularly, (2) management interests behind the "immediate" management interests in corporate branding. My objective is to find answers to the following questions:

> **Research question 5a:** What preconditions mainly related to *shareholders, shareholder value, and share price* were there for the management interest in corporate branding in the Finnish P&P corporations and which (immediate) management interests in corporate branding were related to these?

> **Research question 5b:** What preconditions mainly related to *differentiation in the market* were there for the management interest in corporate branding in the Finnish P&P corporations and which (immediate) management interests in corporate branding were related to these?

> **Research question 5c:** What preconditions mainly related to *selling own products* were there for the management interest in corporate branding in the Finnish P&P corporations and which (immediate) management interests in corporate branding were related to these?

> **Research question 5d:** What preconditions mainly related to *international expansion* were there for the management interest in corporate branding in the Finnish P&P corporations and which (immediate) management interests in corporate branding were related to these?

Research question 5e: What preconditions mainly related to *environmental responsibility issues* were there for the management interest in corporate branding in the Finnish P&P corporations and which (immediate) management interests in corporate branding were related to these?

Further, when it comes to solving the riddle in relation to mergers and acquisitions in the late 1990s and early 2000s, the objective is to find answer to the following question:

Research question 6: What preconditions mainly related to *mergers and acquisitions around the year 2000* were there for the management interest in corporate branding in the Finnish P&P corporations and which (immediate) management interests in corporate branding were related to these?

In Chapter 13, I address the above research questions derived in a somewhat concise or summarized way.

Finally, I have one more objective related to looking into the Description and the Findings concerning the research questions by discussing earlier research and work related to corporate branding, as well as some theoretical concepts from that and other research. Via such discussion, I aim to make conclusions which emphasize such aspects of the Description and Findings to which earlier work has paid less attention, in some measure interpreting the aspects in terms of theoretical concepts outlined by others, to the extent that the aspects clearly reflect, or are instances of, the concepts and their suggested definitions. I present my Conclusions in Chapter 14. They relate especially to what kind of practices of corporate branding the management actually became interested in and what interests the practices served, as well as what interests they possibly were against to, or Othered. Also, they relate to who in the management was most actively interested in the management practices of corporate branding and whose power and control became emphasized.

Particularly based on the Findings and Conclusions presented in Chapters 13 and 14, in the final chapter, Chapter 15, I point out some implications of my Thesis, concerning suggestions for further research and management.

1.5   Structure of the Thesis

PART I: Chapters 1

Part I comprises Chapter 1 and serves as an introduction to the Thesis.

PART II: Chapters 2–4

Part II comprises Chapters 2–4. In Chapter 2, I describe ANT as ontology and in Chapter 3, as a way of studying and analysing things. In Chapter 4, I describe how the empirical data of the present ANT study was gathered and analysed in practice.

Note that in Appendices A and B, I provide a review of ANT literature particularly in the field of management and organization studies.

PART III: Chapters 5–7

In Part III, I describe how different managers of the Finnish P&P corporations came to have various interests amidst longer-term historical developments related to the taken-for-granted aspects and, thereafter, related to the aspect and specific moments of mergers and acquisitions around year 2000. Some of these interests were eventually served by or translated to certain management practices of corporate branding – to be described in Part IV. Part III comprises Chapters 5–7.

In Chapter 5, I "arrive" and start the description before the aspects of shareholders, shareholder value, and share price; differentiation in the market; selling own products; international expansion; and environmental responsibility issues were taken for granted in the Finnish P&P corporations.

In Chapter 6, I describe how different managers of the Finnish P&P corporations came to have various interests in the process of black-boxing of the taken-for-granted aspects, or the transformations and longer-term developments related to them. I describe the developments related to the aspects, or their black-boxing, as involving various specific management interests, as well as various concrete "mobilizations" made by the corporations and their management and other actors. When making the description, I especially highlight particular interests that various managers came to have, towards and by the early 2000s. These particular interests of different managers were interests that would eventually become management interests of corporate branding [mI's] and be served by, or translated to, certain management practices of corporate branding [mP's] in the Finnish P&P corporations – the translations to be described in Part IV.

In Chapter 7, the focus of the description is on specific moments in the histories of the corporations – the aspect of "mergers and acquisitions around the year 2000" – when the management interest in corporate branding ultimately arose. I describe how managers of the Finnish P&P corporations came to have – after the longer-term developments related to the taken-for-granted aspects (Chapter 6) had mostly already taken place around year 2000 and, further, at the specific moments of mergers and acquisitions at that time – additional interests which would later become management interests in corporate branding [mI's] and be translated to management practices of corporate branding [mP's]. I also describe how particular aspects of individual mergers and acquisitions acted to make managers have certain interests. When making the description, I again highlight particular interests that various managers came to have – interests that were eventually translated to certain management practices of corporate branding in the Finnish P&P corporations – the translations to be described in Part IV.

Part IV: Chapters 8–11

Part IV comprises Chapters 8–11. In these Chapters, I describe the management practices of corporate branding which various managers, including top managers, of the Finnish P&P corporations mainly became interested in, how these management practices would serve some of the various interests of different managers described in Chapters 6 and 7 – which I call management interests [mI's] in corporate branding – and how a more unified management subject with an interest in corporate branding got constructed. I also describe management interests that were somewhat suppressed or Othered by the management practices of corporate branding.

PART V: Chapters 12–15

In Part V of the Thesis, I present the main Findings and Conclusions of my research, as well as its Implications, focusing on contributing to marketing, corporate branding and B2B branding research.

In Chapter 12, I present a conclusion of the Description in Parts III and IV. In Chapter 13, I address the above research questions in a somewhat concise or summarized way. In Chapter 14, I present the conclusions of my Thesis. Based on the Findings and Conclusions, in the final chapter, Chapter 15, I point out some implications of my Thesis, concerning suggestions for further research, as well as management.

PART II
Actor-Network Theory (ANT) Approach and Method

In Chapter 2 of this Part II, I describe ANT as ontology and in Chapter 3, as a way of studying and analysing things. In Chapter 4, I describe how the empirical data of the present ANT study was gathered and analysed in practice.

Note that in Appendix A (and B), I provide a review of ANT literature particularly in the field of management and organization studies.

2 ANT as ontology

2.1 The heterogeneous network and semiotics of materiality

What is at the heart of ANT is the metaphor of the heterogeneous network. As mentioned, the original ANT authors started out in the field of sociology of science. Authors such as Bruno Latour and Michel Callon (e.g. Latour and Woolgar 1979; Latour 1981; Callon 1981, 1986b; Callon, Law, and Rip 1986), with others in sociology of science, argued that scientific facts are products of processes whereby social aspects play a highly significant role, rather than something generated through the operation of a privileged scientific method. But, as Law (1992) notes, they particularly argued that "scientific facts" are actually a product or effect of a network of heterogeneous materials. They are the end product of a lot of hard work in which heterogeneous bits and pieces – scientists, other scientists, financiers, government, test tubes, reagents, organisms, skilled hands, scanning electron microscopes, radiation monitors, articles, computer terminals, etc. – are associated and fitted together. Science is a material matter but also a matter of organizing and ordering those materials. It is a process of "heterogeneous engineering" (see Law 1986b, 1987) in which heterogeneous bits and pieces from what is traditionally considered as the social and the technical, the cognitive and the non-cognitive are converted (or "translated") into a set of equally heterogeneous scientific facts.

Nevertheless, ANT authors very early made the analytical move of not viewing science as anything very special. They came to be interested in all kinds of (social) orders. For instance, in one of the most important precursor articles for ANT, Callon and Latour (1981) directed the attention of sociologists to the importance of heterogeneous materials in human social relations, in analysing baboons and their societies. One of their claims was that societies of baboons and humans differ because humans use and have at their disposal many more durable materials, such as instruments, tools, regulations, texts, walls, and objects, to stabilize their world. Baboons do not have much more than their naked bodies and their social glue is mostly somatic. Domination in their world depends on face-to-face confrontation. In other words, the social is not simply about the human. It is about all these other materials, too (Law 1992).

One way to attend to the heterogeneous networks, or semiotics of materiality, is to pay attention to that almost all of our interactions with other people are mediated through non-human or technical objects of one kind or another (see e.g. Callon 1991; Latour 1988a, 1991, 1992b, 1993). Consider, for instance, whether a doctoral defence would be possible *without* an auditorium, trail blazers worn by the people in the front, chairs arranged in rows on which people facing them are sitting, canvas and slides on the wall, and speech. Indeed, all the heterogeneous materials participate in our social relations and help to define them. They are part of the social and operate on us to influence the way in which we act.

So, as Law (1992) notes, ANT authors consider social relations as networks of heterogeneous materials. If human beings form social relations it is not because they interact with other human beings. It is because they interact with human beings and endless materials, too. But furthermore, ANT authors also consider every kind of entities or objects to which one can point – or to which we are traditionally used to pointing to – as networks of heterogeneous materials. For instance, they see no difference in a person and the networks of entities on which the person acts or which act through the person. Network and person are considered co-extensive (Callon and Law 1997). This is one of the things on what Latour directed his attention to in his influential study on Louis Pasteur as the French national hero, triumphing over anthrax and making revolutions in the society (Latour 1983, 1984, 1998b). Basically, Latour shows that Pasteur was nothing more than a network of heterogeneous elements. Pasteur-the-network was made of numerous bits and pieces: laboratories in which experiments were made, bacteria which where domesticated, people involved in the hygienic movement, notebooks, statistics, vaccines, farm at Pouilly de Fort where sheep lived and died, journalists who witnessed spectacular experiments on the farm, French electors, etc. The argument is that Pasteur was not a single entity, not a body and soul, or an ingenious mind. Instead, he was a combination or network of a great number of different elements which produced Pasteur-the-great-researcher. In other words, outside this network, Pasteur-the-great-researcher did not exist at all – he was a network.

What is traditionally conceived as persons are, according to ANT authors, networks. But so are, for instance, technical artefacts and texts. We can actually see this quite easily with the very same Pasteur example above. If we consider e.g. the technical artefact of vaccine-protective-of-anthrax or the texts with statistics-about-sheep-infected-of-anthrax as the starting point of our analysis we may describe quite similar networks of heterogeneous elements. Anyway, as Callon and Law (1997) note, entities, be they human, non-human, textual, or something else, are not solid, discrete, or clearly separated from their context. They do not have well-established boundaries. They are not what could be traditionally seen as subjects and objects. They are sets of relations; they are networks and co-extensive with those networks.

Thus, in ANT, what is true for science is also said to be true for everything where (social) order appears, e.g. for society, organization, entities, objects, technologies, the economy, etc. Indeed, all orders, or all objects to which one can point to, are viewed as ordered networks of heterogeneous materials (Law 1994). They are ordered and patterned networks of heterogeneous materials whose resistance has been overcome – relational effects of ordering these materials. ANT may thus be understood as semiotics of materiality (Law 1999a), as mentioned in the Introduction.

What about the "actor" part of "actor-network", then? The discussion above enables one way of understanding this. The first thing to note is that ANT does not consider that the capacity of action or agency is a human attribute alone (Law 1991a; Callon and Law 1997). In a way it takes the notion of agency to the realm of the non-human in a way that is strange to many social scientists and has thus evoked confusion and resistance (e.g. Collins and Yearley 1992). After all, the idea of a social actor and the special nature of social agency is a building block of much of our social science. Anyway, since ANT is about semiotics, agency is seen as a property of a network. The following is an example inspired by Law (1997) and Callon and Law (1997).

Jack is the dynamic CEO of a large forest industry company. He is intelligent, active, strategic, demanding, and energetic. Many of us would agree that he indeed is an actor. So what does he do? He holds meetings, talks with executive team and board members, listens to presentations. He sits in his office on a fancy chair, behind an oiled teak desk, using his computer, telephone, and e-mail, leafing through financial and production reports and signing papers. He has his secretary. He sometimes visits paper mills to see what is going on. He talks to financial analysts around the world. He gives speeches to various audiences. He does a lot. He is strategic. He calculates and makes decisions. But, what would happen if we drop him into the society of the naked baboons? What if we took away Jack's office and computer. If we blocked accounting reports from accumulating on his desk. If his secretary was to disappear. If there were no more airplanes with which to travel. If his mobile phone subscription and e-mail account were closed. If the members of the executive team and board began to ignore him. If the employees merely laughed at him. Would Jack still be the same actor?

It would be, of course, possible to point to Jack and insist that he is where the action is located. To insist that he is an agent primarily because he inhabits a body that carries knowledge, skills, values, and all the rest. And to point to all the other materials and insist that they are part of a passive support system. But according to ANT, strategic action is a collective property – not something undertaken by individual persons or even a collective of persons (Callon and Law 1997). As Law (1992) notes, it does not deny that human beings usually have to do with bodies and neither does it deny that human beings have an inner life. But it insists that action or social agents are never located in bodies alone, but rather that an actor is a patterned network of heterogeneous relations, or an effect produced by such network. The argument is that every action we traditionally ascribe to human beings – thinking, writing, loving, earning, etc. – are generated in networks that pass through and ramify both within and beyond the body. Here we can see one justification for the term actor-network – an actor is always also a network (Law 1992).

Importantly, ANT generalizes the above argument. For instance, a machine or a computer can be considered an actor but it can also be described as a heterogeneous network. The action emerges e.g. in the interaction between the keyboard, display, software, and the user. The same argument is true for texts, as well as for organizations and institutions – or management interests (in corporate branding)! Thus, as Callon and Law (1995) note, also action is equivalent to specific and materially heterogeneous relations, or "hybrid collectives" (Callon and Law 1995). Action has no identifiable source, such as human agent – or computer, social structure, or the divine – but is located through heterogeneous patterns. Each element of a network "relays" and "prolongs" action of the collective without being the source itself.

2.2 Performativity

2.2.1 Patterning of networks

Although I illustrated above some of the implications of the semiotics of materiality or heterogeneous networks with examples pointing out, in a way, the actor-network nature of different orders and entities, it is crucial to note that the idea of semiotics of materiality in ANT implies dynamism or performativity (Law 1994) rather than any kind of static state of world, let alone structure. Orders and entities

are not merely networks, but most of all network effects. The bits and pieces in the networks are not given in the order of things. They are relational effects or outcomes (Law 1999a), compound realities, the product of a process of composition (Callon and Law 1997). So, the entities have to be brought together. However, ANT tells us "*nothing at all about how it is that links are made*" (Law 1999a, p. 8, emphasis in original). So, how new networks are patterned and potential resistance overcome is entirely an empirical question. Accordingly, ANT authors are centrally concerned with how it is that things get locally and contingently performed into and in networks of relations that are relatively stable and stay in place, so that orders – as effects or outcomes – are more or less temporarily achieved. Thus, ANT is actually interested in ordering, rather than orders (Law 1994). As Latour (1999a) notes, even the word network was originally meant to denote just a series of transformations, somewhat like Deleuze and Guattari's (e.g. 1987) term "rhizome".

Since ANT considers orders and entities as relational effects, it considers that their form, content, or properties are not fixed. Rather, their identity emerges – and changes – in the course of interaction, through processes of transformation, compromise and negotiation (Callon and Law 1997). Importantly, this leads ANT authors to defy – or at least avoid – explaining any ordering with some inherent and distinctive qualities of entities. Particularly, entities are not seen to inherently possess certain distinctive degree of power or size, which could be used to explain ordering, as often in traditional social science accounts. Power (e.g. Latour 1986; Law 1986a, 1986b) and size (e.g. Callon and Latour 1981; Latour 1991; Latour 1999a) are, in ANT, also relational material effects that arise together with the ordering efforts. So, distinctions or divisions based on power and size are understood as relational effects or outcomes. But actually all divisions that one can traditionally think of, such as truth vs. falsehood, scientific vs. non-scientific, hard fact vs. soft fact (e.g. Latour 1981, 1987, 1990, 1999b), macro vs. micro (e.g. Callon and Latour 1981; Latour 1991; Latour 1999a), agency vs. structure (e.g. Law 1991a; Latour 1999a; Law 1999a), human vs. non-human (e.g. Callon and Latour 1992b; Law 1999a), before vs. after (e.g. Latour 1991), power vs. knowledge (e.g. Law 1986a; Latour 1987), context vs. content (e.g. Latour 1991), materiality vs. sociality (e.g. Law 1994), are understood as effects or outcomes (Law 1999a). They are not given in the order of things and cannot be used to explain anything – they are to be explained, if anything.

The idea is to describe a local process of patterning, ordering and resistance. ANT authors often refer to this process, which generates ordering effects such as entities and social orders or power and size, with the term "translation". Actually, ANT is often referred to as being about "sociology of translation" (e.g. Brown and Capdevila 1999, p. 29; see also Callon 1986a). On the other hand, Callon and Law (1997) explain that although human beings, artefacts, texts, social groups, organizations, etc. are distributed through and enact a range of materials and elements, despite the endless flux and indeterminacy, these networks of heterogeneous materials become more or less durable and achieve a degree of stability. Further, a network which is relatively stabilized tends to count to some extent as an entity, a black box that translates the various materials that make it up. Indeed, ANT is particularly interested in how material relations are put into "black boxes" (e.g. Callon and Latour 1981; Latour 1987), so that the accumulation of the materials ends up being invisible, natural and unproblematic – "no matter how controversial their history, how complex their inner workings, how large the commercial or academic networks that hold them in place, only their input and output count" (Latour 1987, p. 3). This is an important point in my study, as I explore how the management of the Finnish P&P corporations *became* interested in

corporate branding, particularly in relation to the black-boxing of the taken-for-granted aspects of shareholders, shareholder value, and share price; differentiation in market; selling own products; international expansion; and environmental issues.

Law (1992) gives a simple example of how networks that make up an entity can be deleted, or concealed from view – with regard to television. For most of us and most of the time, a television is a single and coherent object. But when it happens to break down, it rapidly reveals itself as a network of electronic parts and human interventions. So, for much of the time, we are not in a position to detect network complexities. If a network acts as a single block, it disappears, to be replaced by the action itself and the seemingly simple source of that action. At the same time, the way in which the effect is generated is also deleted: for the time being it is neither visible, nor relevant.

Translation hence implies transformation and the possibility of equivalence, the possibility that one thing may stand for another (Law 1992), that certain actors receive the authority to speak on behalf of other actors. In Callon and Latour's (1981) important precursor article of ANT which I mentioned above, and which was actually their contribution in a volume attempting to integrate micro- and macro-sociologies, the authors implied this in evoking Hobbes's (1651) idea of social order being possible through a contract between individuals who agree to become associated with one another and to express their wishes through a common spokesperson. This way a "Leviathan" emerges, i.e. a macro- or super-actor that seems to be much larger than any individuals that constitute it and is yet merely an association – a network – of these individuals, equipped with "voice". Nevertheless, whereas Hobbes had used the notion of social contract, Callon and Latour extended this notion to the more general one of "translation", somewhat in the sense of the concept introduced by Michel Serres (1974) and applied to sociology by Callon (1975, 1981). Callon had understood translation as the creation of "a single field of significations, concerns and interests, the expression of a shared desire to arrive at the same result" (Callon 1981, p. 211). In a similar vein, Callon and Latour stated (1981, p. 279):

> By translation we understand all the negotiations, intrigues, calculations, acts of persuasion and violence, thanks to which an actor of force takes, or causes to be conferred on itself, authority to speak or act on behalf of another actor or force: 'Our interests are the same', 'do what I want', 'you cannot succeed without going through me'. Whenever an actor speaks of 'us', s/he is translating other actors into a single will, of which s/he becomes spirit and spokesman. S/he begins to act for several, no longer for one alone. S/he becomes stronger. S/he grows.

It is important to note that when the ANT authors talk about actors coming to speak on behalf of others, they do not talk only about humans – again, no *a priori* assumption or division is made. Here, Callon and Latour (1981) originally drew on e.g. Greimas (1979). Greimas introduced the notion of narrative program, or a change of state produced by any subject affecting any other subject. These subjects are grammatical subjects that may or may not reveal themselves as persons. Accordingly, Greimas used the term "actant", or "that which accomplishes or undergoes an act" (Greimas and Courtes 1992, p. 5) and denoted that it applies not only to human beings but also to objects, concepts, and animals. Actants may have changing roles in a narrative: an actant may acquire a character and become an actor or may remain an object of some actor's action. Accordingly, in ANT, an actor is "whatever entity or element bends space around itself, making other elements dependent on itself and is able to translate their wills into a language of its own" (Callon and Latour 1981, p. 286).

Thus, in the shaping of a network, very heterogeneous actors try to mutually control what they are and what they want – to make translations (Callon 1986a). Translations consist of attempts to seek and restrict roles and identities and possibilities of interaction among actors. In principle, anything can attempt to set itself up as an actor and, at the same time, a network. In a sense, in ANT, for a given actor we choose to look into, there is nothing beyond the network which it has created, which constitutes it, and of which it forms a part (Callon 1986b). In processes of translation, putative actors try to change the acting world around them by mobilizing, juxtaposing, and holding together the bits and pieces of which they are composed (Law 1992). They try to characterize and pattern the networks, assemble, and associate mediating materials – materials of sociation (Law 1994) – to constitute themselves as actors and set up and reinforce particular identities for other actors.

Nevertheless, ANT emphasizes that the effects of translation attempts are dependent on the willingness of actors to take the roles proposed to them and to change. This means that there is a constant struggle over the configuration of the network and definitions of its actors. There are "trials of strength" among actors (e.g. Latour 1987), with certain actors' "programs" combating "anti-programs" of others (Latour 1991). ANT authors often view that putative actors try to "enrol" other actors to their networks, to "mobilize" them as "allies", in order to make the network stronger and more real. This is sometimes seen to happen through "problematizations", which Callon (1981) originally illustrated particularly in the context of science and work of scientists. Problematization is "a form of translation that posits an equivalence between two problems that requires those who wish to solve one to accept a proposed solution for the other" (Callon, Law, and Rip 1986, p. xvii). For instance, in science, we can usually see that there is a general problem or that certain actors have a certain general problem, and that e.g. a particular scientist claims that the general problem can only be resolved by the solution of a much more specific problem proposed by him/her.

If this kind of problematization is successfully imposed, an actor can be seen to achieve a position of an "obligatory passage point". ANT authors have borrowed this concept from military terminology (see e.g. Latour 1988a) and it implies, simply put, that actors recognize that they need a certain actor in achieving their own goals – this actor becomes indispensable to achieving their goals and thus an obligatory passage point. Here we can see also what ANT authors generally mean by the term "intéressement", which they have frequently used. In ANT, intéressement has not to do with human or social interests but about one entity attracting a second by coming to stand between that entity and a third (*inter esse* from Latin "to be between"; see Callon 1986a).

When translation (or enrolment or problematization or intéressement) is successful, actors are able to prevent bits and pieces from following their own inclinations and making off. This implies that the processes of translation itself, as well as the heterogeneity of networks, are concealed for a time (Law 1992) and certain members of the collective arise as "spokespersons" for others, or the networks behind them (e.g. Callon 1986a), and become "punctualised" actors (Law 1992). Here we can go back to the television example and note that the processes of translation being concealed is basically why we can easily point to, for instance, a television as a distinct object, which can as such sometimes considered as a member in other networks. The accumulations of materials are rendered invisible, made natural and unproblematic. As Callon and Latour (1981, p. 285) note:

> An actor grows with the number of relations he or she can put, as we say, in black boxes. A black box contains that which no longer needs to be reconsidered.

> The more elements one can place in black boxes – modes of thoughts, habits, forces and objects – the broader construction one can raise.

Again, it is through translation – which implies some degree of simplification, through which an actor is able to borrow others' force and speak or act on their behalf or with their support (Callon, Law, and Rip 1986) – that black boxes are constituted. On the other hand, since due to black-boxing achieved by earlier translations, not all things, entities, and their relationships appear as problematic networks of heterogeneous materials, they can be, to some extent, taken for granted, or built on, in subsequent translations and network configurations. Law (1992) notes that these kinds of punctualisations, or network packages, can be in some measure counted as resources in shaping new networks and they may come in a variety of forms, such as agents, devices, texts, relatively standardized sets of organizational relations, social technologies, boundary protocols, or organizational forms. And as Latour (1987; see also Latour and Woolgar 1979) points out in relation to scientific work, what has been a problem or subject of research for someone, can in another research serve as a basic assumption, fact or instrument. In the present study, it seems that the interests in corporate branding were somehow built on the five taken-for-granted aspects, as they were black-boxed.

It must be emphasized, though, that ANT stresses that all the black boxes and punctualizations are always precarious (Law 1992). They face resistance and may degenerate into a failing network. The networks are thus always potentially unreliable. Particular traces, entities, materials and relationships can suddenly become problematized or un-black-boxed. This leads us to the issue of durability of networks and conditions where the durability of network is relatively assured – the extent to which it is unproblematic and where roles, identities, black boxes and so on proceed without hiccups. I will look into this issue in the next section, but before that let me give an example of a classic technology study based on ANT ontology and how it makes use of some of the concepts introduced above. This study is Callon's (1979, 1980, 1981, 1986b, 1987; Callon and Latour 1981) analysis of the efforts at network building by the French electricity utility company, Electricité de France (EDF).

In 1973, EDF produced a plan documenting the need for an electric vehicle, the véhicule électrique (VEL), that not only determined the precise characteristics of the vehicle it wished to promote but also the social universe in which the vehicle would function. EDF was attempting to develop a future for VEL by redefining, or translating, the world and putting the development of an industrial nation into a black box and using it to its own purposes. Through various "problematizations", it defined necessary actors and their roles. It represented recent social history in terms of the urban post-industrial consumers and new social movements that attacked the internal combustion engine-driven car on the basis of pollution and noise levels and its central position as a symbol for a discredited consumer society. VEL would overcome these concerns, EDF was arguing. Consumers were defined as actors that would want to drive only electric cars. A range of other actors were defined, too. CGE (Compagnie Générale d'Electricité) would develop the electric motor and batteries and perfect the lead accumulators to be used. Renault would build the chassis for VEL, the government would set up favourable regulations and subsidies, and companies which ran urban transport systems would cooperate with research centres, scientists, etc. Finally, not only did EDF define roles for these kinds of social actors but also those to be played by nonhumans, such as accumulators, batteries, fuel cells with their catalysts, electrons etc.

Hence, EDF defined the roles in the "actor-network" and was attempting to "enrol" other entities to them. Each of the actors was necessary to the network and

for each one EDF acted as the "spokesperson". Moreover, EDF outlined a geography of "obligatory passage points". For instance, to get rid of pollution, it was necessary to develop the electric vehicle; to develop the electric vehicle, it was necessary to invent new fuel cells; to invent new fuel cells, it was necessary to conduct experiments at EDF's laboratories. So, EDF would become the obligatory passage point for the other actors that, in its network, were represented as committed to reducing pollution. In order to set itself up as a spokesperson and obligatory passage point, EDF had to "displace" the surrounding actors. By "mobilizing" texts and people, meetings and symposia, prototypes, experiments, and trial runs, and materials and money, it attempted to render its network more stable and to have the different entities act according to the outlined "interests".

Actually, what EDF was attempting to do was to build "black boxes". Each entity was reduced to a few properties which were compatible with the relationships established between entities: "Renault, a company-that-builds-car-bodies, can cooperate with CGE, a firm-that-produces-engines-and-transmissions; electrons are elementary-particles-which-transport-electric-charges-from-one-electrode-to-another thus producing the electric-current-which-drives-the-motor-of-the-VEL" (Callon 1986b, p. 34). Entities, firms, technical devices and social groups were assigned to a black box and the network could be seen as a bundle of black boxes.

Yet in the case of EDF, these simplifications were eventually rejected. For instance, Renault wanted to remain a major car manufacturer and resisted its identification with a future in which it would build only car bodies and the internal combustion engine would have only a minor role. And in the laboratory, the fuel cells turned out to be less effective than in EDF's putative actor-network. In the end, the future outlined by EDF for the VEL stopped becoming real and is network fell apart.

2.2.2 Durability

Above I shed light on ANT's tenet of performativity and ordering rather than orders and focused on its view that entities achieve their form as a consequence of the patterning of a network of relations. But performativity also means that entities are continuously performed in, by, and through those relations (Law 1999a). A consequence is that every order is uncertain and reversible, at least in principle. So, in the name of performativity, ANT is also centrally concerned with how it is that durability is achieved; how it is that things get performed (and perform themselves) into relations *that are relatively stable and stay in place* (Law 1999a). This implies that the issue of patterning work of networks should not be separated from the issue of their durability – they are one and same thing and translation can be seen to refer to both. However, it seems that sometimes ANT authors are more interested in studying translations concerning the patterning of new networks, while sometimes they are more interested in studying translations concerning the maintenance of existing networks (e.g. Law 1986b, 1994; Latour 1988a). Since with my study into the (network of the) management interest in corporate branding I am among the former, I will not pay further attention to metaphors such as "immutable mobiles" (see Latour 1987, pp. 227-257; Law 1986b, 1992, 1994; Law and Mol 2000) or "convergence", "alignment", "coordination", "irreversibilisation", "normalization" or "standardization" of the actor-network (Callon 1991), which have been used to illustrate the latter aspect of the maintenance of existing networks.

3   ANT as way of studying and analysing

At this point, I hope I have made it clear that ANT is not a theory about the social, the society, or social actors and not even a theory a about their relationship to the technical, technology, or technical "actors". ANT can be considered first of all as an ontology of semiotics of materiality and performativity. In illustrating these tenets, I have to a large extent introduced and used conceptual terms developed by ANT authors. Indeed, in a way this conceptual vocabulary can help to understand what the tenets are about and, hence, what is at the heart of ANT. But unfortunately, they may also easily hinder a clear understanding of it, by giving the reader various impressions, depending on his/her background in social sciences. In the Introduction, I mentioned the metaphorical baggage carried by the terms "actor" and "network", and how they may mislead us to think, for instance, about networks of companies, organizations, or people. Or they may mislead us to think about (social) agencies and structures in which they are embedded.

Along the use of many other terms rises the danger of inaccurately viewing ANT as emphasizing strategic action, intentionality, and calculativeness of human and social actors. "Translating", "interesting", "enrolling", "problematizing", "mobilizing", "displacing", etc. may all easily appear as something to be done only by, again, human and social actors, although this is by no means what is implied by ANT. Actually, the source of inaccurate impression can be partly attributed to the early, classic ANT studies themselves which, as Michael (1996) notes, may seem to start out from highly calculative agents – e.g. great scientists, industrial firms, or other organizations. For instance, it may seem that Latour's study (1988b) of Pasteur is merely an account of his successful endeavours to persuade a range of other (social) actors of the efficacy of his theories and methods; that Callon's study (1979, 1980, 1981, 1986b, 1987; Callon and Latour 1981) of the electric vehicle VEL is merely an account of Electricité de France's unsuccessful attempts to promote it to e.g. consumers and Renault; that Law's study (1988) of the military aircraft TSR2 is merely an account of an unsuccessful attempt of The Royal Airforce to develop a long range tactical strike and reconnaissance aircraft; and that Callon's study (1986a) of scallops at St. Brieuc Bay is merely an account of three biologists' unsuccessful efforts to convince the scallop fishermen of the bay of the viability of scallop farming.

Yes, one can read the empirical studies in this way. Then, one may even be tempted to claim that ANT is not contributing in any way, but making a human-centric (see e.g. Collins and Yearley 1992) redescription of how interests of social actors were or were not aligned and how there were possibly some additional technical problems to be solved. So, why not talk about micro-politics or purposeful (human) actors, their goals, and chosen means to reach the goals (as in e.g. the logic of action in praxeology; see von Mises 1949), on the one hand, and problems of technology development, on the other hand. A similar claim of ANT making redescription could also be made in relation to terms such as "durability", "convergence", and "irreversibilization". For instance, while ANT talks about durability, could we not talk e.g. about institutions; while ANT talks about convergence, could we not talk about people working in and across groups; or while ANT talks about irreversibilization, could we not talk about path-dependency?

So, is ANT only about redescription? As Michael (1996) notes, possibly. And I would add that in many studies where ANT has been "applied" this may have been the case. But what is important to note is that the development of conceptual vocabulary by the original ANT authors has essentially been an attempt at

developing a *neutral* vocabulary as a means of accessing the heterogeneous work done by heterogeneous entities – non-humans as well as humans – in stabilizing the relationships that make up e.g. institutions and groups (Michael 1996). It can be considered, in general, as an attempt at being loyal to the ontology of the semiotics of materiality. Namely, being loyal to the semiotics of materiality essentially calls for being agnostic about the generic locus of action and agency that structures these associations and about *a priori* divisions between e.g. the agency and structure, the macro- and micro-social, the social and the physical and the scientific and the political. It calls for refraining from appealing to some overarching, general analytic constructs, such as power, intellectual or cognitive skills, human or political interests, social class, or the God, that would do all the necessary explaining (e.g. Latour 1986, 1999a; Michael 1996).

Basically, the ANT ontology of the semiotics of materiality calls for a researcher to abstain "from frameworks altogether and just describe the state of affairs at hand" (Latour 2004), to provide local and contingent descriptions that reflect the network under study. This means, as Latour (1999a) notes, learning from actors "without imposing on them an *a priori* definition of their world-building capacities" (p. 20). Further, it means to systematically avoid replacing "their sociology, their metaphysics and their ontology with those of the social scientists". The tenet is that "actors themselves make everything, including their own frames, their own theories, their own contexts, their own metaphysics, even their own ontologies" (Latour 2004). A description of these, of "procedures which render actors able to negotiate their ways through one another's world-building activity" (Latour 1999a, p. 21), rather than an attempt to explain actors' behaviour and reasons with researcher's own constructs, is central:

> I'd say that if your description needs an explanation, it's not a good description, that's all. Only bad descriptions need an explanation. It's quite simple really. What is meant by an 'explanation', most of the time? Adding another actor to provide those already described with the energy necessary to act. But if you have to add one, then the network was not complete, and if the actors already assembled do not have enough energy to act, then they are not 'actors', but mere intermediaries, dopes, puppets. They do nothing, so they should not be in the description anyhow. I have never seen a good description in need, then, of an explanation. But I have read countless numbers of bad descriptions to which nothing was added by a massive addition of 'explanations'! And ANT did not help… (Latour 2004).

Thus, in a way, an ANT approach to analysis is simply about being faithful to the insights of ethnomethodology (e.g. Garfinkel 1967; see also Blumer 1969; Goffman 1958): actors know what they do and we have to learn from them not only what they do, but how and why they do it (Latour 1999a). Indeed, many authors, including Latour, seem to consider ANT more like a method of analysis or a theory of how to study things (see e.g. Latour 2004, 2005), rather than an ontology. Nevertheless, this is mainly a question of the viewpoint from which to start. I have chosen to first emphasize ANT's ontological commitment to the semiotics of materiality (following particularly Law) and then explain what it means or calls for in terms of studying and analysing things. I could have equally well started from ANT's commitments to how to study and analyse things and explained what kind of ontology is – or has to be – behind them, i.e. the semiotics of materiality.

It is worthwhile to note that if the latter viewpoint is emphasized as a starting point, many authors (e.g. Singleton and Michael 1993; Munir and Jones 2004) consider three principles of how to study things, originally introduced by Callon (1986a), as central tenets of ANT: principles of (1) "general agnosticism", (2)

"generalized symmetry", and (3) "free association". According to Callon, the principle of *generalized agnosticism* insists on analysing uncertainties about the properties of nonhumans and humans in the same way, by being impartial towards actors and their (what are traditionally considered as) technical and social arguments. No point of view should be privileged and no interpretation should be censored. The researcher should not fix the identities of implicated actors if these identities are still being negotiated. The principle of *generalized symmetry*, in turn, takes into account that ingredients of controversies are a mixture of considerations concerning both "Society" and "Nature" and requires using a single repertoire when they are described. The rule is not to change "registers", or "grid of analysis", when we move from the natural or technical to the social aspects of the problem that we study. And finally, the principle of *free association* calls for abandoning all a priori distinctions between natural and social events and rejecting hypotheses of a definite boundary between the two. The researcher should consider that the repertoire of categories he/she uses, the entities which are mobilized and the relationships between these, are all topics of actors' discussion. Instead of imposing a pre-established grid of analysis upon these, we should follow actors in order to identify the manner in which they define and associate different elements by which they build and explain their world.

Actually, even the idea of generalized symmetry may be misleading. It should *not* be concluded that "objects" and "subjects", "non-humans" and "humans" should be "maintained together" and studied "symmetrically" (Latour 2005, p. 76):

> [W]hat I had in mind was not *and,* but *neither:* a joint *dissolution of both collectors.* The last thing I wanted was to give nature and society a new lease on life through 'symmetry'…
>
> ANT is not, I repeat is not, the establishment of some absurd 'symmetry between humans and non-humans'. To be symmetric, for us, simply means *not* to impose a priori some spurious *asymmetry* among human intentional action and a material world of causal relations. There are divisions one should never try to by pass to go beyond, to try to overcome dialectically. They should rather be ignored and left to their own devices, like a once formidable castle now in ruins…

Related to the above, Latour notes that in modernist thinking, issues relating to "out there" nature, "in there" psychology, "down there" politics and "up there" theology are treated as separate problems, but for ANT there is only one problem; "only *one* single predicament which, no matter how entangled, has to be tackled at once" (Latour 1999a, p. 22).

> The best it [ANT] can do for you is to say something like: "When your informants mix up organization and hardware and psychology and politics in one sentence, don't break it down first into neat little pots; try to follow the link they make among those elements that would have looked completely incommensurable if you had followed normal academic categories. (Latour 2004)

So, ANT's ontological commitment to the semiotics of materiality calls for a certain methodological commitment (albeit they can also be considered to mutually determine each other). It calls for description of the procedures which render actors able to negotiate their ways through one another's world-building activity, rather than an attempt to explain actors' behaviour and reasons with researcher's own constructs. Here, it is good to go back to where I started this section: to ANT conceptual vocabulary. First of all, even the term "network" must not be viewed too much as referring to a construct, to something that is to be drawn by the description. ANT says nothing about the shape of what is being described with it: showing that the phenomenon is constituted of connections, interconnections and heterogeneity is not enough, but it is the work, the movement, the flow, and the

changes that should be stressed – "worknet" instead of "network" (Latour 2004). Thus, ANT can be considered "more like the name of a pencil or a brush than the name of an object to be drawn or painted" (ibid.). On the other hand, ANT is not about explanations or interpretations "of what actors do simply glossed in a different more palatable and more universalist language" (Latour 1999a, p. 21). After all, the chosen vocabulary must not be considered what is central to ANT – as Callon (1986a) notes, e.g. the vocabulary of translation makes a description no more and no less valid than any other vocabulary.

So, in my approach to studying the riddle of how the management of the Finnish P&P corporations became interested in corporate branding, I aim to provide a description of a local and contingent history – according to the ANT tenet of "actors themselves make everything", as advocated by Latour. The whole description basically attempts to use the actors' own developed language and the rich vocabulary of the actors' practice. Moreover, the tenet is especially visible in certain aspects of the study. I abstain from defining myself what corporate branding would be in the case of the Finnish P&P corporations and their management, from interpreting certain management practices as corporate branding, and from arguing for certain benefits resulting from the interest in them. I pay attention to what kind of management practices of corporate branding the management actually constructs and becomes interested in. This relates to my abstaining from viewing the concept of corporate branding as something that merely diffuses to a company as a ready-made concept (see e.g. Latour 1987). I even abstain from treating the management as a uniform and unproblematic subject existing in the order of things but pay attention to how the management actually gets constructed as a more unified subject with an interest in a concept such as corporate branding. Moreover, I abstain from explaining the interest with theoretical concepts of social sciences, such as institutional forces (see e.g. Latour 2005). And I abstain from applying specific levels of analysis, as is usually done in management and organization studies. I do not pay any particular attention to whether different entities reside on e.g. societal level, environmental level, industry level, firm-in-the-industry level, interorganizational level, firm level, functional level, management level, or individual level.

Furthermore, it can be noted that when tracing local and contingent histories of orderings, ANT authors often pay attention to controversies between various parties and how they are more or less settled (Latour 1987; Latour 2005). This reflects the above-mentioned notion of performativity: that things get locally and contingently performed into and in networks of relations that are relatively stable and stay in place, so that orders are more or less temporarily achieved and potential resistance overcome. At the same time, ANT authors often pay attention to how effects of power and domination are produced (e.g. Latour 1986; Law 1991b; Latour 2005). This reflects the above-mentioned semiotic notion that power is not inherent quality of entities. Paying attention to these issues, ANT has in common with e.g. Foucault's (e.g. 1971) work on genealogy. Accordingly, in my approach, I pay attention to how controversies and power issues among managers are at play in the emergence of interest in a concept such as corporate branding.

Finally, the power and domination issues are closely related to the "undiscovered continent" of the Other (see e.g. Lee and Brown 1994), heterogeneity as that which is unassimilable and different (see e.g. Lyotard 1991), and differences in heterogeneity between those that are privileged and those that are not (see e.g. Star 1991). I join those ANT authors who are increasingly interested in Otherness (see Law 1999a) particularly in looking into such interests of managers that were Othered by the management practices of corporate branding.

4   Method

In this Chapter, I describe how the empirical data on which the ANT account, or description, of the present study is based on was gathered and analysed. Note that I have already implied that a commitment to ANT ontology is at the same time a commitment to an ANT way of studying and analysing things, which I have discussed quite extensively above, in Chapter 3. That discussion could, in a sense, be seen as constituting a major part of what we would traditionally put under the heading "Methodology", particularly when it comes to what could be called research strategy and approach to data analysis. So, the function of this chapter remains to describe what kind of data I have gathered, how and why I have gathered it, how I have analysed it and why I have analysed it in the way I have. Before going into this, though, I want to emphasize two things.

First, ANT or ANT authors do not basically make any specifications about the above aspects of gathering and analysing data, beyond what I have earlier implied with respect to the ANT way of studying and analysing things[5]. Also, it seems impossible to extract or interpret from existing ANT studies any typical aspects when it comes to gathering and analysing data (Ylikoski 2000). Second, as Czarniawska and Hernes (2005b), citing Lee and Hassard (1999), stress, the main precepts of ANT are "epistemological pragmatism" and "ontological relativism". Actually, to be precise, Lee and Hassard (1999) do not directly mention epistemological *pragmatism*, but note that ANT appears to be "empirically realist", in finding no insurmountable difficulty in producing descriptions of organizational processes, in providing "theory-laden" descriptions of organization, and in leaving the task of challenging its empirical base to the research and user communities it addresses. Anyway, Czarniawska and Hernes (2005b) apparently interpret this as ANT being about epistemological pragmatism, which seems acceptable on the grounds that the work done in the name of ANT is very heterogeneous and usually ANT authors put very little effort into analysing and defending the rigor of their data gathering and analysis. In other words, as Czarniawska and Hernes note, there is less concern about a specific "method", but greater caution when apportioning the world into inherited categories.

When it comes to more practical issues of gathering and analysing data, recall first that I pointed out earlier that, in a way, ANT is about being faithful to the insights of ethnomethodology: actors know what they do and we have to learn from them not only what they do, but how and why they do it (Latour 1999a). This would mean abstaining from pre-defined frameworks and learning from actors "without imposing on them an *a priori* definition of their world-building capacities" (Latour 1999a, p.20) – "following actors" and hence the traces that have been produced as networks have been built up (see Latour 1987). But perhaps the biggest challenge is related just to what should count as an actor, from what actors one should learn, and what actors to follow, since in ANT, actors – or actants – can

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5   Note that Latour (1987) provides us with seven "Rules of Method". However, rather than advising on what kind of data to gather, or how to gather it and analyse it in practice, Latour mostly emphasizes aspects of ontology and epistemology. He emphasizes how we should look at things (particularly science) as material practice and patterning of heterogeneous associations, not as collection of ready-made facts and structures or as having intrinsic qualities (rules 1 and 2), and how we should not explain things with e.g. aspects of nature or society (rules 3 and 4) or with rationality or irrationality (rule 6) – instead, these are what call for explanation. These are tenets of ANT which my discussion in Chapter 3 already reflected. Perhaps slightly more practical advice on what to pay attention to in field research Latour gives in relation to rules 5 and 7. He stresses that we should be undecided about the various actors we follow and recognize the moments whereby divides are built between what actors belong to inside and outside the process of making technoscience (rule 5) and that before attributing any special quality to the mind or to the method of people, we should examine the ways in which inscriptions (mainly paper forms) are gathered, combined, tied together and sent back (rule 7).

be whatever entities, whatever: ANT assumes radical indeterminacy of an actor (Callon 1999). As Miller (1997, p. 363) puts it:

> It's fine to tell us that we should believe them when they speak to us, that we should refrain from judging them, but we have to know who to speak to in the first instance, which meeting to attend, who to call on the telephone, who to email, and who to ask for an interview!

Strathern (1996; see also McLean and Hassard 2004) has suggested that this is essentially a problem of where and when to "cut the network". It involves a continual process of deciding which actors to follow and how to represent them. Law (1991a), in turn, indicates that there indeed is a price associated with following actors. This includes the problems associated with maintaining analytical distance as we begin to see the world through their constructs and experience their practices. "We take on their categories. We see the world through their eyes. We take on the point of view of those whom we are studying." (Law 1991a, p. 11) And still, certain distributions may ultimately become invisible, for those that are of less concern to the actor who is being followed tend to melt from view.

On the other hand, Law (1991a) notes that we can never, after all, reduce our categories to those of our subjects. Importantly, I adopt in the present study Law's (1991a) view that an academic researcher cannot follow actors everywhere, he/she engages ultimately in a practice of ordering, sorting and selection. Hence, as Law implies, the method of following the actors here is perhaps best seen as a way of generating surprises, of making oneself aware of the mysterious, since it tends to break down "natural" categories, or some of those distinctions and distributions "natural" to the sociologist – as reminding us that we tend to reify, naturalise, or simply ignore, what may be important distributions.

The basic principle I had in conducting the field research was to continuously make, reject, and remake conceptualizations about who and what could count as actants or entities in the developments whereby the management of the Finnish P&P corporations had become interested in corporate branding. At the very beginning, I had, of course, one assumption about the actants, which necessarily stemmed from the phenomenon I was studying: since I was studying how the *management* of the *Finnish P&P corporations* became interested in corporate branding, it was clear that managers of these corporations were central actors in the process. Actually, describing how the managers of the corporations had been acting and how they had been acted on would have to be in central focus in the empirical account. Furthermore, like certain classic ANT studies (e.g. Callon 1986b; Latour 1988b, 1996) which seem to focus on companies and managers, I chose to concentrate on describing how managers were trying to build the world around them by defining heterogeneous entities or actors and their relationships and making "mobilizations" to realize the defined worlds. On the other hand, I would describe other mobilizations than those made by managers or the corporations, which would involve entities that act in relation to each other, as well as in relation to the managers and their interests.

4.1 Sources of data

Ideally, the actual field research would have been about following actors around, particularly the managers of the corporations, simultaneously with at least part of the time when the processes of the management becoming interested in corporate branding were going on (see Latour 1987). In the case of the present study,

however, I was not able to follow actors in this sense, or in a sense of what could be seen as ethnography-style research including participant observation, since the processes whereby the management of the P&P corporations had become interested in corporate branding had taken place already some years ago by the time of the empirical study. In practice, this made the empirical study inevitably resemble historical research. Moreover, it suggested that pragmatically feasible sources of data would be (1) interviews of managers of the P&P corporations and other persons who had been close to the managers and/or the processes and related events, at the time they were under way and occurring, and (2) documents and literature related to the processes and events. By analysing data from such sources, I could learn about the "traces" of the construction of network, i.e. the management of the Finnish P&P corporations becoming interested in corporate branding.

In the following, I describe how I used interviews and documents and literature as sources of data, as well as provide some source criticism, which can be seen as an important aspect to the extent that one considers the study practically as being close to historical research.

4.1.1 Interviews

Interviewees as a source of data

The source of data I used most extensively in producing the empirical description was interviews of managers of the P&P corporations. Pragmatically, I considered retrospective accounts (oral histories), or descriptions by the managers as the most valid sources of historical data about their own and the management in general becoming interested in corporate branding. I considered the managers as the best possible informants about this. Nevertheless, I was aware that they could, in retrospection, be interpreting past developments in a way that could compromise the accuracy of these accounts as informing me about the developments. The managers could, for instance, forget things, remember things wrongly or, deliberately or not, attempt to make their actions reflect smooth, desired, and planned paths of developments, even if they had been unexpected or undesired (Bowker and Star 1999). So, I considered also other persons who had been observing the processes and related events at the time they had been under way and occurring as useful informants. Among such persons, I further considered particularly useful persons who had been interacting with the managers – in a way, following them. These persons could include e.g. industry analysts, researchers, consultants, and advertising and media experts. Basically, in terms of historical research, I could compare the accounts of the different kinds of informants to arrive at a more accurate description of the developments.

Before looking at the nature of the interviews in more detail, it is important to note that it was possible that interviewees were not only informants but also themselves representatives of actants or entities that had been relevant in the processes. Since at the outset, I was undecided about what the relevant actants would be and what actants to follow, I found it worthwhile to take this stance not to rule out any possibilities *a priori*. For instance, among the management, there could have been different kinds of managers or management sub-groups, coming from e.g. different functions or levels of management, that had acted or been acted on differently when they or the top management had become interested in corporate branding. And e.g. industry analysts, researchers, and consultants themselves could have related as actants to the developments where the

management had become interested in corporate branding. Moreover, I would have, in a way, *in principle* violated the ANT way of studying things if I had gone to interview certain persons with the idea of viewing them as mere informants and not potentially relevant actants or their representatives – as Latour (1991) notes, reality can be evaluated by comparing what an actor says about another actor with what this other actor says about itself.

In any case, the idea that reality can be evaluated by comparing what an actor says about another actor with what this other actor says about itself combined with the assumption about managers of the companies having been central actors gave me reason to start the gathering of data by contacting managers in the corporations. Contacting the companies, I was often directed to persons "responsible for the corporate brand" or "corporate brand managers", who I consequently requested for an interview. On the other hand, since in studying the management becoming interested in corporate branding, I was particularly interested in top management and executives of the corporations becoming interested in corporate branding, I soon also contacted some executives of the corporations, i.e. managers who were or had been members of the top management team or executive board. Further, I contacted consultants, analysts, researchers, and other managers of the corporations who would have been in close contact with the executives.

In principle, the basic idea in interviewing these persons was the same as in most the interviews that would follow. I would go to interview a manager or another person who could tell me about developments whereby they themselves or the (top) management in general had become interested in corporate branding, i.e. describe heterogeneous entities, their actions, and interests related to them. I would analyse what the person described about him/herself and the development of his/her interests as a representative of management and the related entities and their actions or about the management in general and the development of their interests and the related entities and their actions. Then, I could find out more about the related other entities and their actions by interviewing persons who I assumed or was hinted by the interviewees to be able to tell me more about them, as their representatives or otherwise (or, as I will later describe, by searching for documents or literature with references to these entities). For instance, if customers were described as entities, I could contact some customers or sales and marketing managers; if investors, some investors or investor relations managers; if personnel, some personnel or human resources managers; if certain products, managers from the divisions responsible for the products. Nevertheless, I decided not to follow the other entities very far, such as e.g. customers or personnel or consultants, in the sense of extensively interviewing persons assumed as their representatives about their respective interests behind their actions. I decided to mainly concentrate on only their actions – irrespective of all the interests behind – and the effect on these actions on the management's interests.

Eventually, 67 interviews were conducted. There were, in total, 64 different interviewees; three persons were interviewed twice (all the details in Appendix C). 40 of the interviewees were or had been employed as managers in one or more of the three corporations: 12 as executives and 28 as other managers. By work history, the interviewed executives and managers represented quite evenly UPM-Kymmene, Stora Enso, and M-Real, respectively, or their predecessors, albeit that some of the executives and managers had been working for more than one of the corporations. Of the other 24 interviewees, 16 can be considered to have been close to the management of one or more corporations, e.g. as consultants, investment analysts, or researchers. Of the consultants, seven had actually been working with

the management of one or more of the corporations. Finally, two of the interviewees can be considered representatives of certain merchants, two of certain banks, and three of certain customers related to the corporations.

The interviewees were contacted by email and asked for an appointment of approximately one to one and a half hours. Most interviews were conducted in Finnish, face-to-face at the premises where the interviewees had their offices. A few interviews were conducted in English (6 interviews) and a few interviews (14) over the telephone, particularly with persons working abroad, outside Finland. The interviews took place between December 2004 and November 2005. The length of the interviews varied between 35 and 140 minutes, the duration of most interviews being approximately an hour. In total, there was 4200 minutes of interview data, approximately 70 hours. The interviews were audio-recorded and transcribed.

Conduct of the interviews

On a technical level, the interviews were semi-structured but involving aspects of narrative interviewing (see Schütze 1977; Bauer 1996; Jovchelovitch and Bauer 2000). The interviews were thus "semi-structured interviews enriched by narratives", iteratively going through several sequences of narration and subsequent questioning (Hermanns 1991, Bauer 1996). What I especially adopted from the method of narrative interviewing is its conceptual idea of being motivated by a critique of the traditional question-response mode of interviews. Bauer (1996) claims that in this traditional mode, the interviewer is imposing structures in a threefold sense: (1) by selecting the themes and the topics, (2) by ordering the questions, and (3) by wording the questions in his or her language (Bauer 1996). Hence, the data obtained from such interviews reveals perhaps more about the interviewer's own relevance structures than about the issues under investigation. In the following I will further describe, mainly informed by Schütze (1977) and Bauer (1996), the aspects of narrative interviewing I found especially useful in overcoming the deficiencies of the question-response mode.

In order to elicit a less imposed account of the interviewee's perspective, Bauer (1996) notes, the setting should be arranged to achieve minimal interviewer influence and to avoid restructuring the interview. Narrative interviewing attempts to do this, and thus goes beyond the question-response mode, by making use of a specific type of everyday communicative interaction, i.e. storytelling and listening. According to Bauer (1996), it is postulated that the perspective of the interviewee is best revealed in stories where the informant is using his or her own spontaneous language in the narration of events. This makes the narration and thus the interview follow a self-generating schema.

As far as story telling is concerned, Schütze (1977) notes that it is an elementary form of communication of human experiences and a competence that is relatively independent of education and language. Basically, events can be rendered either in general terms or in indexical terms. An indexical statement means that reference is made to concrete events in place and time. A general statement means pointing beyond mere events towards "life wisdom" or other forms of generalizations. Storytelling and narrations are usually rich in indexical statements because (1) they refer to personal experience and (2) because of the tendency to be detailed with a focus on events and actions (Schütze 1977). The structure of a narration is similar to the structure of orientation for action: a context is given, the events are sequential and end at a particular point, and some kind of evaluation of outcome is included (Lamnek 1989). The narration reconstructs the action and its context in an adequate way: it reveals place, time, motivation, and the actor's symbolic system of orientation (Schütze 1977).

Further, storytelling seems to follow universal rules which guide the process of story production. Schütze (1977) calls these "inherent demands of narration" ("Zugzwänge des Erzählens"). Bauer (1996) notes that they have also been called "story schema" or "narrative convention" that can be modelled as "story grammar". This suggested feature of story telling will generate a flow of narration from underlying rules or structure once the interviewee has started. The role of the interviewer is mostly confined to that of an attentive listener. According to Bauer (1996), story telling follows a self-generating schema with three main characteristics: (1) detailed texture, (2) relevance fixation, and (3) closing of the gestalt.

First, when it comes to detailed texture, the narrator tends to give details of events in order to make the transition from one event to another plausible for the listener. Storytelling tends to be close to events and account for time, place, motives, points of orientation, plans, strategies, and abilities. Second, when it comes to relevance fixation, the narrator tends to report those features of the event which are relevant according to his perspective of the world. The account of events tends to be selective and unfold around thematic centres which reflect what the narrator takes as relevant. The themes present the relevance structure. Third, when it comes to closing of the gestalt, an event mentioned in an interview tends to be reported completely in the narration: it has a beginning, a middle, and an end. This threefold structure of closure makes the story flow, once it is started.

All in all, to simplify, narrative interviewing is sensitive to two basic elements of interviewing (Bauer 1996). First, it contrasts different perspectives either between interviewer and interviewee or between different interviewees. Second, it is sensitive to the idea that language is not neutral but constitutes a particular "world view". Hence, it attempts not to prescribe the language and categories to be used in the interview. This sensitivity is why I found aspects of narrative interviewing useful in my interviews. After all, recall that an ANT way of studying things prescribes that we learn from actors "without imposing on them an *a priori* definition of their world-building capacities" (Latour 1999a, p. 20) and systematically avoid replacing "their sociology, their metaphysics and their ontology with those of the social scientists" connecting with them through some research protocol. Moreover, recall that the tenet is that "actors themselves make everything, including their own frames, their own theories, their own contexts, their own metaphysics, even their own ontologies" (Latour 2004).

So, I started the conduct of interviews by presenting the interviewee what Schütze (1977) calls the "initial central topic" ("zentrale Anfangsthemenstellung"). The initial topic I would mainly use was the top management interest in corporate branding in a P&P corporation, in case I knew that the interviewee had been working for or had experience particularly with one of them, and, in other cases, the management interest in corporate branding in Finnish P&P corporations in general. This kind of topic meets the criteria for an initial central topic by Schütze (1977) quite well. First, it was experiential (at least to some extent) to the interviewee. Second, it was not merely a personal matter but a matter of social and communal significance. Third, the interviewee could be considered to be interested in the topic, which concerned his/her own experience (albeit not necessarily vividly interested, as Schütze prefers). Fourth, it was broad enough to incorporate all the events of my interest in the sense that the interviewee was inclined to develop a longer string of past events which led to the event or problem under study. And fifth, it avoided indexical formulations, i.e. it did not refer explicitly to dates, named persons, or places.

In practice, when presenting the initial central topic, I asked the interviewee to tell about "the developments whereby the top management of the corporation(s) had come to be interested in corporate branding". In listening to the narration of the interviewee, I tried not to interrupt him or her in any way, as advised by Schütze (1977), but was actively listening and providing mostly paralinguistic feedback (hm…, yes...). And when the interviewee was marking the end of the story, I probed for anything else he or she might want to add or describe in more detail, using some non-directive prompts, such as "Did anything else happen?" or "Were there any other things, events or developments involved?"

Usually, the first narrative came to a "natural" end rather soon, after a few minutes, which is one aspect that makes my interviews a little different from the nature of narrative interviews visioned by Schütze (1977), with a duration of perhaps tens of minutes. In any case, at this point, I made use of what I had just learned from the interviewee through attentive listening and asked the first questions to complete gaps in the story. These questions concerned so called immanent issues. Immanent issues are themes, topics, and accounts of events that appear during the first narration of the informant (Bauer 1996). Moreover, the immanent questions are framed in the interviewee's own language (Schütze 1977). So, the first questions I asked were basically immanent, using only words which the interviewee had used, and related only to themes, topics, and events mentioned in the previous narration. In practice, I attempted to limit myself to questions such as "Can you tell me more about [role of/theme/topic/event X]?"; "You told me about [role of/theme/topic/event X], what did you mean by that?"; or "You told me about [role of/theme/topic/event X], how did it exactly go?". When listening to the subsequent narrative, I applied the same principles as with the first (main) narrative.

Alternatively with the above questions, I could pose also other kinds of questions, still immanent ones, which elicited further narrating. These questions related to events that the interviewee had mentioned in the earlier narration and provided a more temporal frame of reference than the questions above. By asking "what happened before/after/then…?", I could have the interviewee fill in gaps in his/her story. Importantly, I could also get access to longer string of past events than what the interviewee had up to then told about. Particularly important, I could in this way probe for events that had preceded events from which the interviewee had started his/her story to serve for learning about relevant interests of and actions on and by the management of the companies further back in history.

With the initial narratives and the various immanent questions above, I could elicit fairly extensive stories, or descriptions, from interviewees. Basically, the themes and topics the interviewees mentioned can be considered to have informed me mostly about what management practices of corporate branding the managers of the Finnish P&P corporations were actually interested in and what the interests were. In other words, the use of narratives enabled me to learn what the managers themselves considered as corporate branding and what their interests in corporate branding were. The events, on the other hand, can be considered to have informed me mostly about entities and their actions that had affected the managers' coming to have certain interests, as well as entities mobilized by the corporations as component entities or instances of certain management practices which the management had become interested in.

Further, at later points of the interview, I used some time to pose non-immanent or exmament questions to the interviewees. Exmament issues reflected my specific interests of knowing as a researcher and my formulations and language (Schütze 1977). This is the clearest aspect (along with the less dominating role of

the first, main narrative and the iterative sequences of narration and questioning) due to which I do not state that the interviews were purely narrative interviews but instead state that they were semi-structured interviews enriched with narratives[6]. Particularly in later interviews, the exmament questions began to be more emphasized, as I already had a fairly good picture of the developments, interests, and related entities and their actions and wanted to have more detailed descriptions of them.

In practice, as somewhat exmament questions, I would often ask the interviewees about the role of interests or management practices in the management's interest in corporate branding or the role of certain entities or their actions in t the managers' coming to have certain interests. These questions I based on what other interviewees and documents and literature had described as relevant entities and interests. Of course, I attempted to use language typical for the interviewees, as well as very non-suggestive framing of questions, also here. Nevertheless, the formulation of the theme, topic, or event, came from me. I could ask, for instance, "By the way, what was the role of the many product names/the new mills in other countries/the visual identity/the consultants in the process/event X?" Sometimes the interviewees responded as if they had simply forgotten to tell about the issue although it should, according to them, naturally have been told. Sometimes, on the other hand, they responded as if there was nothing really to be told about the issue or that the role of the thing was nothing significant. In analysing the interviews, I paid particular attention to the types of responses to these kinds of exmament questions. Especially if the response was close to the latter type, this often led to more radical reappraisal of the entities hypothesized as relevant ones.

Finally, I have to note that there was a further aspect that made my interviews differ from pure narrative interviews. Namely, although I was respecting the language and categories used by the interviewees, I was paying some attention to the possibility that they might be telling stories about the past, using language and categories they were familiar with at the present moment. With regard to the way in which we are constantly revising our knowledge of the past in light of new developments in the present, Bowker and Star (1999, p. 40) suggest:

> This is not a new idea to historiography, or to biography. We change our resumes as we acquire new skills to seem like smooth, planned paths of development, even if the change had been unexpected or undesired. When we become members of new social worlds, we often retell our life stories in new terminology. A common example of this is religious conversion, where the past is retold as exemplifying errors, sinning and repentance.

This presented, of course, a possible problem, since I was first and foremost trying to find out how actants were building their world in the past. To address the problem, I sometimes had to ask interviewees, exmamently, and even against Schütze's (1977) rule to avoid arguing or questioning what interviewees, say, if they would have talked about certain themes, topics, or events at the time they were current, with the language and categories they were using in the interview. For instance, a few times, interviewees spoke about how they were managing "corporate branding" in the companies already in the 1980s, whereas I could tell,

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[6] Note that a few (less than 10) of the interviewees wanted to have interview questions sent to them beforehand. The interviews conducted with them resembled least the narrative interviews specified by Schütze (1977) and others. Although the first question sent to them (in an email) reflected the initial central topic and although I tried to formulate most of the other questions in as non-suggestive and non-directive ways as possible, the questions included also exmament questions, which the interviewee could thus familiarize him/herself in advance. In the interviews, I tried to let the interviewees narrate as freely as possible, but there is perhaps still reason to state that these interviews were more like traditional semi-structured interviews, rather than even semi-structured interviews enriched with narratives.

based on what other interviewees had told me, that the term "corporate brand" was not used until the late 1990s.

4.1.2 Documents and literature

To complement the interviews as a source of data and to be able to make comparisons and verifications across materials informing about the entities, their actions, and interests, I wanted to look into document material and literature. A setback in doing this was that I could not, due to the recent nature of the interests in corporate branding, get access to company archives concerning e.g. minutes of management team and Board meetings that could have provided valuable information about the developments. The corporations did not give access to minutes or other confidential internal materials, as far as materials from the recent years of the beginning of 2000s are concerned.

On the other hand, published documents and literature, published by corporations or third parties, bore few references to "corporate branding" in the Finnish P&P corporations. This basically meant that these materials could only further inform me, in more detail, about developments, entities, their actions, and interests that I had learned about in the interviews. Nevertheless, even if only providing additional information this way, they were still valuable. When it comes to earlier theoretical literature and unpublished dissertations, it was particularly important that I could, from these secondary sources, efficiently learn more about the developments without having to personally look into all the developments by the way of primary data, such as older company archives. Importantly, I could also use the information from the documents and literature to make comparisons and verifications across materials, also relative to the interviews.

Further, by analysing what the documents and literature said, I could basically make and refine hypotheses about different entities, their actions, and interests in the developments, in the same way as I did based on the interviews. Then, I could find out more about these possible new hypothesized entities and interests by interviewing persons who I assumed or was hinted to know more about them. There was thus analogy to a process of snowball sampling, or "historical snowballing" (Bijker 1992).

I studied two main types of materials: (1) materials produced by the corporations themselves and (2) materials produced by third parties. They are listed in as "Empirical references" at the end of the Thesis. The materials produced by the corporations (1) themselves included, first of all, (1a) published materials produced by the corporations themselves, such as annual reports, press releases, and websites. Second, they included (1b) articles, editorials, and opinions in magazines published by the corporations. Third, they included some (1c) unpublished materials produced by the corporations themselves, such as materials of internal communication and presentations. The materials produced by third parties (2) included, first of all, (2a) articles, editorials, opinions, and news in newspapers and magazines published by third parties. Second, they included (2b) published research literature. Third, they included (2c) unpublished research literature, such as unpublished dissertations and manuscripts, e.g. Master's Theses of Helsinki School of Economics, the leading academic business school in Finland and a leading school in research concerning the Finnish P&P industry.

When it comes to (1) materials produced by the corporations themselves, I consider that they could quite accurately reflect and inform me, both implicitly and explicitly, about the developments of management interests and related entities and their actions, particularly when it comes to developments temporally close to

the time of their production. As historical documents, they can naturally be considered to provide to some extent even more accurate information about less recent developments than the interviews. They can even include quotations of managers of the corporations, dating back several years. Moreover, with materials produced by the corporations, I paid some attention to the possibility that the materials themselves could have been relevant entities in the processes, e.g. materials with which the management had tried to act on some other entities.

When it comes to (2) materials produced by third parties, I did not eventually treat them much differently as source materials relative to the way I treated the materials produced by the corporations themselves. As those materials have basically been produced by persons, such as researchers, reporters, analysts, etc., who have been observing the processes and related events at the time they have been occurring and potentially even have been interacting with the managers, I consider that they could quite accurately reflect and inform me about the developments of management interests and related entities, somewhat similarly as the materials produced by the corporations themselves. Especially, some research literature involving historical research could quite explicitly inform me about developments in management interests and corresponding management practices, in the sense of strategies, intentions, and actions. And of course, the materials, particularly newspaper and magazine articles, often include direct comments and even citations by the managers of the corporations themselves, which further makes them similar in nature to the materials produced by the corporations themselves.

4.2   Analysing the data and writing the description

In this section, I discuss how I ended up with the descriptions of Parts IV and III of this Thesis – through what kind of analysis process. I discuss the production of the descriptions in this "inverse" order, as it better reflects the way I advanced in the analysis and the logic I had in the analysis, as well as the logic of this final Thesis report. In Part IV, I describe the management practices of corporate branding [mP's] in which managers, including top managers, of the Finnish P&P corporations mainly became interested; how these management practices would serve or be translations of certain interests of different managers (management interests in corporate branding [mI's]); how the management became constructed as a somewhat more unified identity and subject with interest in corporate branding; and how the management practices would suppress or Other some interests. In Part III, I describe how different managers of the Finnish P&P corporations came to have various interests amidst longer-term historical developments related to the taken-for-granted aspects and, thereafter, related to the specific moments of mergers and acquisitions around year 2000. Some of these interests (management interests in corporate branding [mI's]) were eventually served by or translated to certain management practices of corporate branding – the translations to be described in Part IV.

The reader should have Figure 1 (p. 18) about the structure and logic of Parts III and IV at hand when reading the following discussion, in order to get clearer understanding of how the eventual descriptions in the Parts have been produced through the analysis.

4.2.1 Description in Part IV

Types of descriptions by interviewees

Already after a few interviews, it became clear to me that what the interviewees narrated and told me about was quite heterogeneous. But still, some types of descriptions the narrations focused on could be identified. First, most interviewees were, to some extent, describing (1.1) management practices they themselves or the management in general had become interested in as part of corporate branding (~general statements), and often when this had approximately happened (~indexical statements) as well. For instance, referring to corporate branding, they could describe that there had been interest in having product names include the corporate name after a certain merger or in defining values for the corporate brand image. In ANT terms, these management practices could be considered entities the management would have mobilized or had mobilized in some way. On the other hand, to some extent, interviewees were describing (1.2) what management practices or what mobilization of which entities had *actually been planned and realized* in or by certain corporations (~general statement), and often when this had happened (~indexical) as well. Second, to some extent, interviewees were describing (2) what was or had been considered that these management practices or entities and their mobilization would do or had done to other entities or would make or had made other entities do (~general) – actually somewhat consistent with ANT theory of action, or "how someone makes another do things" (Latour 2005, p. 70). Third, they were describing, of course, to some extent (3) those other entities (~general). For instance, having the corporate name in product names (1.1/1.2) would increase customers' awareness of the corporation as a paper and board supplier (2; 3) or defining and then communicating corporate brand values externally and internally (1.1/1.2) would make employees identify themselves more with the corporation (2; 3). In ANT terms, this could be considered to be about problematizations and definitions of roles to various entities, about "world-building".

Moreover, the former mobilization of entities (1.1/1.2) – management practices (of corporate branding) – could then be considered to be "interesting", or standing between the management and the other entities and their doings (2; 3) – mobilization that, too – , making the management "interested" in the former mobilization. On the other hand, by assumption, the management could think that the latter mobilization would further do something to certain third entities or would make them do something. Thus, the management could be considered to be "interested" in the latter mobilization, too. So, in one sense, interest in the former mobilization could be considered translation of interests: interest in the latter mobilization translated into interest in the former mobilization.

Basic objectives in analysis and in writing the description

My first basic objective in the analysis for Part IV would be to describe in writing, mostly on the basis of the interviewees' descriptions, the former mobilizations and the related entities (1.1) mentioned above – as the *management practices of corporate branding [mP's]* – and the latter mobilizations and the related entities (2; 3) – as the *management interests in corporate branding [mI's]*. This would imply the *translations of the management interests in corporate branding to the management practices of corporate branding [mI's➔mP's]*. Second, the objective would be to describe the management practices or what mobilization of which entities had *actually been planned and*

realized in or by certain corporations (1.2). In making this description, an objective would actually also be to provide further "evidence" that the management had become interested in the management practices identified (1.1). And third, the objective would be to describe when, approximately, the translation of the interests had occurred, as well as when the management practices had actually been planned and realized (1.2) in or by certain corporations.

Challenges related to the level of detail in the description

Although the above basic objectives of the analysis were still fairly simple, it became clear to me that there was a very big challenge related to the level of detail in the description. First, the interviewees would describe in varying detail (a) certain management practices the management had become interested as part of corporate branding (1.1), when it comes to (a.a) defining the different component entities of the entities to be mobilized, as well as when it comes to (a.b) specifying the entities. Second, the interviewees would describe in varying detail (b) what the management thought these management practices and their component entities and their mobilization would do to certain other entities (2; 3) and their component entities and make them do. Third, the interviewees would describe in varying detail (c) the other entities (3), when it comes to (c.a) defining the different component entities of the other entities, as well as when it comes to (c.b) specifying the entities.

I discuss, in Appendix D, how I attempted to tackle the challenges related to the level of detail in the description by having further objectives in analysis, in addition to the basic objectives of analysis mentioned above. I would, of course, attempt to conduct the analysis according to all these objectives. In practice, the analysis would be about balancing with the objectives, as the objectives were not very straightforward in nature. Concerning the discussion in Appendix D, it can be noted that it may, to some parts, seem rather complex (most readers might not be interested in these complexities, stemming from my ANT approach, which is why the discussion is placed in Appendix).

Iterative balancing

Eventually, when it comes to the attempt at balancing with the basic objectives above and those presented in Appendix D, it is, in principle, by no means totally inaccurate to describe the analysis process I went through as such a process that has for a long time suggested as a very basic way of data-driven qualitative analysis. Namely, indeed following an iterative process not unlike the one recommended by e.g. Strauss and Corbin (1990) and Miles and Huberman (1984), I travelled back and forth between the data and the emerging descriptions. Initially, I scanned the data of a couple of interviews and much of the document data for dominant themes. And at latest from there on, the data analysis occurred concurrently with data collection. As themes – descriptions of potentially relevant entities and their relationships – began to emerge from the data, I noted them and used them to organize new, incoming data in an iterative fashion (Glaser and Strauss 1967; Becker 1970). At the same time, I compared information from the different data sources with each other. Many researchers might be inclined to describe the process as hermeneutical circle -flavoured, in that it most certainly involved a continuous movement between individual pieces of textual data and the emerging understanding of the entire set of textual data, trying to understand the individual pieces through the entirety and the entirety through the individual

pieces, with provisional understandings or hypothesis formed, challenged, revised, and further developed in an ongoing iterative process[7].

Objectives related to describing *different* management practices and interests

Already based on individual interviewees' descriptions, various management practices of corporate branding, as well as management interests in corporate branding, could be identified.[8] Also, already in the first interviews, it became clear to me that one management practice (of corporate branding) – or what could be somewhat identified and described as a single management practice – would, in the descriptions of an interviewee, match with several management interests (in corporate branding) – or what could be somewhat identified and described as a single management interest. On the other hand, one management interest would match with several management practices (eventually resulting in that among the headings of sections 8.2.1–8.2.8, 9.2.1–9.2.8, 10.2, and 11.2.1–11.2.5 in Part IV, reflecting the management interests, one heading may appear multiple times; see also Figure 1, p. 18).

Different interviewees, in turn, could identify and describe partly same and partly different management practices and interests.[9] And also across interviewees' descriptions, it became clear that one management practice would match with several management interests and one management interest would match with several interests. Actually, in order to remind the reader of this continually, I use, in the written description (Parts IV and III), an expression like "having x do y [management practice A] could/would be *a/one* translation of having a do b [management interest B]" – in order not to give the impression that A would be a translation of only B or that only A would be a translation of B.

Note that reflecting the focus on managers and their world-building efforts, I use the term "translation" in the expression as an infra-language (Latour 2005) term to refer to how managers shift their frames of references, associating certain interests with certain other interests ("having x do y would be a/one translation of having a do b"). Concerning managers' world-building, this use is fairly consistent with Callon's (1981, p. 211) view of translation as creation of "a single field of significations, concerns, and interests" and translation as problematization, or positing "an equivalence between two problems that requires those who wish to solve one to accept a proposed solution for the other" (Callon, Law, and Rip 1986, p. xvii). However, I do not use the term "translation" with other transformations or processes although in some ANT studies, the term is used as an umbrella term to refer to all the transformations and processes taking place. Moreover, with the expression ("…a/one translation of…"), I want to remind the reader of an issue which "management-oriented" ANT studies mostly neglect: that "having x do y" may not act only to have "a do b", which I succeed in describing as an analyst, but also to have "c do d", the description of which I may for reason or another leave absent or fail to incorporate.

In the analysis and in writing the description, my objective would then be to identify and describe, for each corporation (UPM-Kymmene, Stora Enso, M-Real),

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[7] Actually, I consider referring to hermeneutics rather questionable in contexts, like here, where the philosophical nature of hermeneutics as a theory of interpreting or understanding (*verstehen*) is not fully embraced – hermeneutics should not be seen merely as having something to deal with analysing, interpreting, and understanding texts (see e.g. Gadamer 1960; Palmer 1969) .

[8] For this, I would, of course, have to control and identify especially "definition relationships" and "specification relationships" between descriptions (see Appendix D) – after all, two descriptions could refer to same management practices or interests only at different levels of detail, or definitions and specifications.

[9] Again, I would have to control "definition relationships" and "specification relationships" between descriptions – descriptions of two interviewees could refer to same management practice or interest only at different levels of detail, or definitions and specifications.

the management practices which several interviewees would describe as such in which the management had become interested as part of corporate branding in the corporation, the interests which several interviewees would describe as such which the management had had, and the matches between the practices and interests, i.e. the translations of the interests. In addition, my objective would be to describe particularly such management practices and management interests which could be identified in the descriptions of top managers or executives of the corporations. Similarly, the objective would be to describe particularly such management practices which several interviewees would describe as such in which the top management had become interested in corporate branding in the corporation and the interests which several interviewees would describe as such which the top management had had. This was because in the riddle of the Thesis, I was interested how come the management, including the top management, became interested in corporate branding. Amidst the written description, I would illustrate and provide "evidence" of the translations by citing the interviewees from the different corporations, both executives and other managers, concerning the different corporations.

When it comes to describing the *translations* of the interests to the management practices, my objective would be to base more detailed descriptions on combining various interviewees' descriptions – it was clear that e.g. one executive would not have time, in an interview, to describe in much detail the translations or matches between certain interests and management practices. Particularly to be able to better analyse these translations and describe them more in detail, I would contact, after the first interviews and particularly after top manager interviews, further interviewees who could describe them to me in more detail. I could often get hints from the interviewees about whom to interview. I could also myself infer based on the descriptions interviewees made concerning the certain management practices, interests, and translations whom to contact next. For instance, if customers were described as entities, I could contact sales and marketing management; if investors, investor relations management; if personnel, human resources management; if certain products, managers from the divisions responsible for the products. On the other hand, some new management practices and interests could be identified from the descriptions of different interviewees. One objective was to contact new interviewees as long as sufficient level of detail concerning e.g. the translations had been achieved (as discussed in Appendix D) and as long as new management practices or interests or their matches in relation to the different corporations could not be identified any more, i.e. a theoretical saturation would, in a sense, have been achieved.

Actually, once I had interviewed many managers (n~10) in each corporation, including some executives, as well as persons who had been in close contact with the management, it started to be clear to me that the management practices of corporate branding, the management interests, and the translations were very similar, actually quite the same, between the different corporations.[10] Consequently, I decided to describe the management practices, the interests, and translations jointly for all three corporations, not separately for each corporation. The description would be quite accurate in relation to the management of all the corporations but I would avoid making extensive repetition and inflating the amount and length of the total description. Only to the extent that there would be clear differences in the management practices, the management interests, the translations, or when the management had become interested in the management

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[10] This is not surprising, considering that large Finnish P&P corporations have traditionally had fairly similar strategies (see e.g. Ojala and Lamberg 2006).

practices in different corporations, I could pay attention to them through corporation-specific descriptions. Anyway, note that my objective had not at any point been to make a systematic comparison between the corporations, in a sense of a comparative study or even in a sense of case replication. Pragmatically, if the management practices, interests, and the translations had turned out to be quite different in the corporations, I would have described them separately. But as they did not, I would describe them quite jointly, as a single narrative.

Finally, when it comes to describing the *management practices* or what mobilizations of which entities had *actually* been planned and realized in or by certain corporations (1.2), my objective would be to base more detailed descriptions on combining various interviewees' descriptions. Again, particularly to be able to better describe them in more detail, I would contact, after the first interviews and particularly after top manager interviews, further interviewees who could describe them to me in more detail. Moreover, I could also make use of documents and literature describing realized management practices or their "traces". For instance, company magazines or websites could contain descriptions about the management practices and their traces – actually much more than about the interests behind and translated in them. Note that In Part IV, I describe the management practices or the mobilization of which entities had actually been planned and realized in particular corporations in grey boxes separated from the rest of the description, since the rest of the description is not corporation-specific. In the corporation-specific descriptions, I also describe when, approximately, the translation of the management interests had occurred, as well as when the management practices had actually been planned and realized, in particular corporations – reaching the third basic objective mentioned earlier (p. 61–).

Three phases of corporate branding

Analysing the descriptions of the interviewees and balancing with the objectives, it slowly begun to be clear to me that the management had become interested in some of the management practices of corporate branding more simultaneously than in some others. More precisely, it seemed as if the management practices in which the management had become interested more simultaneously were mobilizations of component entities of some intermediate, upper-level component entities of corporate branding – albeit all would be more or less necessary component entities of corporate branding. Partly to reflect the intermediate level, I decided to group the description of the management practices and the related translations of the management interests under the headings of three "phases" of corporate branding (see Chapters 8, 9, 11). In effect, the notion of the "phases" is quite void in meaning, apart from two aspects. First, the management had, as implied above, become interested in two management practices which I include in one and the same "phase" more simultaneously than in two management practices which I include in different "phases". Second, to the extent that the management did not become interested in all the management practices at exactly the same time, they became more interested in the management practices somewhat in (sequential) order: the first phase preceding the second phase and the second phase preceding the third phase.

On the other hand, I noticed that some interviewees were describing problems that had emerged when some of the management practices or the corresponding mobilization of entities had actually been planned and realized – in a way, interests *against* the management practices. These were problems that the interviewees were describing particularly in relation to the management practices that I ended up having under the headings of the first and second phase of corporate branding.

They were also describing how the management practices and the translation of interests had been redefined and new entities mobilized, as the problems had been recognized. So, when it comes to the management practices of the first and second phases of corporate branding, I decided to describe also the problems that had emerged, under the heading "Dissidence" (see sections 8.3, 9.3). I borrowed the term "dissidence" from Callon (1986a), who used the term for a process whereby some of the gains of the previous translations are brought into question. Further, I decided to describe how the management practices and the translation of interests had been redefined and new entities mobilized, under the heading "Negotiations" (see Chapter 10). This term is also borrowed from Callon (e.g. 1986a).

Othered interests

Finally, conducting more and more interviews, I noticed that the interviewees were describing further problems that had emerged when the management practices of corporate branding or corresponding mobilization of entities had actually been planned and realized. These problems can be considered management interests that were, to some extent, Othered by the management practices of corporate branding. I also asked the interviewees to describe these kinds of interests in more detail. This would help me to address the (research) question (RQ4) of what management interests were to some extent Othered by the management practices of corporate branding in Finnish P&P corporations.

When it comes to the first and second phases of corporate branding, some problems that emerged, described under heading "Dissidence", were "negotiated" away. In other words, the management interests that were about to be Othered eventually were not. However, some problems and, hence, Othered management interests remained. Based on the descriptions of the interviewees, I would describe the interests and how the management practices or corresponding mobilization of entities would suppress or act against them (section 10.3).

When it comes to the third phase of corporate branding, the management practices or mobilization of entities had actually been planned and realized so recently that I was not able to clearly analyse and describe "negotiations" to some problems that would have emerged similarly as with the first and second phases of corporate branding. However, also with the third phase of corporate branding, I was able to analyse, based on the interviewees' accounts, some problems that had emerged and, hence, some Othered management interests. I would describe these interests and how the management practices or corresponding mobilization of entities would act against them (section 11.3). Furthermore, particularly concerning M-Real, the interviewees were more extensively describing also how some management practices and the translation of interests had been redefined and new entities mobilized, as problems had been recognized. So, concerning M-Real, I decided to describe also this, mainly to provide further "evidence" of the Othered interests. This description, in a grey text box, ends the description of Part IV.

Unified management and different interests of different managers

Finally, not only did I pay attention to the interviewees referring, in their descriptions, to various management interests in corporate branding but also to that different managers were emphasizing different interests and describing certain managers' particular interests in corporate branding. Whereas the discussion of my data analysis has so far reflected mostly some kind of initial assumption of that the management, particularly the top management, as one existing subject, became interested in corporate branding, later in the course of analysis, I came to consider,

informed by ANT, that the management had actually got constructed as a somewhat more unified subject with interest in the concept of corporate branding. On the one hand, most managers, including top managers, were interested in corporate branding or its various management practices – suggesting that a somewhat unified management subject with interest in corporate branding had been constructed. But on the other hand, different managers emphasizing different interests and describing certain managers' particular interests in corporate branding suggested dispersion of the unified subject with different managers still having different interests in corporate branding.

Moreover, I paid attention, in the interviewees' descriptions, to the fact that particularly corporate marketing and communications managers were often described as having been active in proposing management practices of corporate branding and speaking for them. Further, I paid attention to how these managers were sometimes described as having much control on the management practices – suggesting growth in their power. Informed by ANT and its idea of actors' power growing from them becoming spokespersons for other actors' interests (Callon and Latour 1981), I came to consider that the power of certain managers, especially corporate marketing and corporate communications managers, who acted as active spokespersons for corporate branding, had grown considerably. On the other hand, I paid attention to how the Othered interests were often described as particularly those of (sales and marketing) managers of mills, divisions, and sales offices, and came to consider that the issues of dispersion of the management subject and power were evident also there.

4.2.2 Description in Part III

Types of descriptions by interviewees

Since the first interviews, it became clear to me that not only were the interviewees describing management practices they themselves, certain managers, or the management in general had become interested as part of corporate branding and when (1.1 above) and what management practices or what mobilization of which entities had actually been planned and realized in certain corporations and when (1.2); and what they thought these management practices or entities and their mobilization would do or had done to other entities or would make or had made other entities do (2; 3). They were also describing, at least referring to – as mentioned already in the Introduction – aspects of certain longer-term developments and the relationships of the management interests in and management practices of corporate branding to them. Aspects most referred to were shareholders, shareholder value, share price; differentiation in the market; selling own products; international expansion; and environmental responsibility issues. These I ended up calling the taken-for-granted aspects, as discussed in the Introduction. Also mergers and acquisitions in the late 1990s and early 2000s and the specific moments related to them, were often referred to. As explained in the Introduction, I became interested in solving the riddle of how the management of the Finnish P&P corporations became interested in corporate branding especially in relation to longer-term development of the corporations and in relation to the above, often-mentioned aspects. They seemed quite relevant in the "world-building" with respect to the management interest in corporate branding.

On the other hand, it also became clear to me that the interviewees were describing situations in the 1980s and early 1990s and how certain entities or relationships of entities had not existed to any great extent then or had been

different then than in the late 1990s and early 2000s, as well as how they themselves or the management of the corporations in general had not had certain interests very strong then. Also these situations related particularly often to the aspects which I, again, in the Introduction referred to as the taken-for-granted aspects: shareholders, shareholder value, share price; differentiation in the market; selling own products; international expansion; and environmental responsibility issues.

Before describing the management practices of corporate branding and management interests in corporate branding, the translations of the management interests to the management practices, and the management practices actually realized in the corporations in Part IV, I would therefore take as my objective to describe in Part III the above situation in the early 1980s and how managers had thereafter come to have the management interests of corporate branding amidst the developments related to the taken-for-granted aspects, or their becoming more taken-for-granted or black-boxed in the Finnish P&P corporations. Moreover, in Part III, my objective would be also to describe how managers had come to have some management interests in corporate branding related to and at the specific moments of mergers and acquisitions in the late 1990s and early 2000s – the further aspect to which the interviewees also referred to often. I would pay special attention to describing, as emphasized by the interviewees, how particular aspects of individual mergers and acquisitions acted to make managers have certain interests at those specific moments.

 Accordingly, there would be three chapters in Part III. First, one chapter would be for the situation in the early 1980s (Chapter 5; see also Figure 1, p. 18). Second, one chapter would be for the developments related to the taken-for-granted aspects and for the interests which managers came to have amidst the developments related to the taken-for-granted aspects and which were later translated to the management practices of corporate branding (Chapter 6; Figure 1). Third, one chapter would be for the mergers and acquisitions in the late 1990s and early 2000s and the management interests which managers came to have at the specific moments of the mergers and acquisitions and which were translated to the management practices of corporate branding (Chapter 7; Figure 1).

In relation to the above aspects and longer-term developments, the interviewees were describing some management practices that they themselves or the management in general had become interested in since the situation in the early 1980s and when – interests that had not yet been very strong in the early 1980s. They were also describing what management practices or what mobilization of which entities had actually been planned and realized in certain corporations and when. Furthermore, they were describing what had been considered that these management practices or entities and their mobilization would do to other entities or would make other entities do. In general, these kinds of descriptions they would make quite analogously as they would make for the management practices of and management interests in corporate branding, and their translations – as I discussed in the previous sub-chapter 4.2.1. In analysing these descriptions, I would have quite similar objectives[11] as I had when it comes to analysis concerning management practices of and interests in corporate branding for Part IV. However, note that whereas in Part IV, the translations of interests would always be about what certain *mobilizations of entities by the management or corporations* (in the name of corporate branding) would do to other entities or make them do, in Part III, I could additionally describe, following the interviewees' descriptions, also other interest relationships: what the management had considered certain mobilizations of

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[11]   concerning the "definition relationships", "specification relationships", and "interest relationships" (see Appendix D)

entities – not necessarily mobilized by the corporations – would do to certain third entities and make them do.[12]

Furthermore – more than in relation to the management practices of and management interests in corporate branding (Part IV) – the interviewees would also describe the *actual effects* of the mobilizations on various entities, their actions, and their relationships, relative to the situations in the 1980s and early 1990s. And they would describe how they or some managers had become interested in *new* management practices, *after or recognizing the effects* of the mobilizations on the various entities, their actions, and relationships. Nevertheless, not only would the interviewees describe mobilizations of entities that had been realized in or by certain corporations and their effects but also *other mobilizations (by other actors) and their effects* on various entities, their actions, and relationships. And, again, they would describe how they or some managers had become interested in *new* management practices, after or recognizing the effects of these mobilizations on various entities, their actions, and relationships – often in relation to the situations in the 1980s and early 1990s and the entities and their relationships then.

Finally, whereas there was not much earlier literature or many documents available that would have directly informed me about interests and mobilizations concerning corporate branding, there were quite a lot in relation to the aspects of longer-term development, such shareholders, shareholder value, and share price; differentiation in market; selling own products; international expansion; and environmental issues – and mergers and acquisitions. This literature and documents included e.g. annual reports, press releases, and magazines published by the corporations themselves, as well as newspapers and magazines published by third parties and earlier research literature (see section 4.1.2 for details). Besides the interviewees, they would quite extensively inform me and serve as basis for the analysis and written description in Part III.

Objectives in analysis and in writing the description

When it comes to the analysis and writing the description, my objective would be, in Part III, to describe the new mobilizations of entities; some effects of them on various entities their actions, and their relationships; managers coming to have new interests after recognizing these effects – initially relative to the situations in the 1980s and early 1990s; translations of managers' interests to other interests and further to management practices; the corresponding mobilizations by certain corporations; some effects of these mobilizations on various entities, their actions, and their relationships; managers coming to have new interests after recognizing these; translations of the management interests to other management interests, etc. Note that, in the text of Part III, I describe all the mobilizations of entities – be they mobilizations by the management or the corporations or other mobilizations – and their effects on entities, their actions, and their relationships under the subheadings "**Mobilizations**". All the interests managers came to have and the translations of management interests I describe under the subheadings "**Interests in**…"

Further, my objective, in Part III, would be to describe the interacting mobilizations and interests particularly in relation to the above aspects of longer-term developments, under corresponding headings (headings of Chapters 6.1–6.5;

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[12] For instance, when it comes to Table 16 (Appendix D), I could describe the translations from an upper interest in the right column to a lower: e.g. "having more customers become aware of the corporation as a potential supplier would be a translation of having more customers contact the corporation and trust it as a supplier". Indeed, "having more customers become aware of the corporation as a potential supplier" cannot be considered a management practice or involve entities *directly* mobilized by the management or corporation – not in the sense that e.g. (the management practice of corporate branding of) "making the corporate brand an umbrella to product names" can. Actually, thinking in terms of the table, this would be about moving a lower interest from the right column to the left column and making analysis such as the one discussed in Appendix D with regard to the table, without paying attention to whether the entities would be entities mobilized by the management or the corporations or not.

see also Figure 1, p. 18), based on to which of the aspects the interviewees mostly would relate the mobilizations and emerging entities in their descriptions. And particularly concerning the interests managers came to have, my objective would be to focus on describing managers coming to have them stronger after the recognition of certain mobilizations related to the aspects of longer-term developments and their effects and as further translations of these interests. Note again that this is not, however, to say that the interests would not have existed at all without the new mobilizations or been translations of any other interests than those emphasized. To remind the reader of this, I use, in the description, expressions such as "recognizing {the effects of mobilizations M and N},… managers became *more/more strongly* interested in {having x do y/doing v to w}" OR "{having x do y/doing v to w} would be *a/one* translation of {having a do b/doing c to d}". In addition, I often describe some other interests, not directly related to the ones managers came to have after recognizing mobilizations and their effects related to the aspects of longer-term developments or as their further translations. There, I use expressions such as: "*Moreover*, {having x do y/doing v to w} would be *also a translation of* {having e do f/doing g to h [N]} and {having i do j /doing k to l [O]}". Also this would remind the reader of that even if it would be the mobilizations related to the aspects of longer-term developments after which certain interests became stronger, the interests could be made stronger also by other mobilizations or be strong as translations of other interests, e.g. of [N] and [O] in the above example. Moreover, note again reflecting the focus on managers and their world-building efforts, I use these expressions as infra-language (Latour 2005) to refer to how managers shift their frames of reference, associating certain interests with certain other interests.

Also, when describing the mobilization of entities that had *actually been planned and realized by the corporations*, note that my objective, in Part III, would not be to exclusively describe all the interests behind them – or suggest that they were instances or component entities of only those management practices I would describe the managers to have become interested in. To remind the reader of this – while mostly assuming that when the corporations or units, among whose management certain P&P managers were, acted, the action was largely due to certain interests of the managers – I use expressions such as: "The interests/management interests in {having x do y/doing v to w} *were strong, as* {P and R were done (by the corporations/managers)}". In other words, I would remind the reader that it could be possible that P and R were mobilized also with other interests than having x do y/doing v to w, or that P and R could involve component entities or instances of also some other management practices in which the management might be interested than of having x do y/doing v to w.

Different interests of different managers

Recall that concerning the management interests in corporate branding (Part IV), I paid attention to how the interviewed managers were, in their descriptions, emphasizing different interests and describing certain managers' particular interests in corporate branding. Concerning the various interests managers came to have along the longer-term historical developments related to the taken-for-granted aspects (Part III, Chapter 6) and, thereafter, related to specific moments of mergers and acquisitions around year 2000 (Part III, Chapter 7), the different interests of different managers were even more emphasized. Accordingly, in the description of Part III, my objective was to pay attention to how the different management interests were mainly interests of different managers still – before the emergence of the interest in corporate branding whereby some of the management

interests of the different managers (management interests in corporate branding [mI's]) were eventually served by or translated to certain shared management practices of corporate branding (Part IV). In the text, I pay attention to this by pointing out the managers whose interests are mainly in question with expressions such as: "*the financial managers* (/ CEOs/ Directors/ marketing managers/ human resources managers/ sales managers/ line managers/ etc.) became more interested in having x do y".

So, the above objectives in analysis and description in Part III would reflect and serve not only the objective of the Thesis to solve the riddle of how the management of the Finnish P&P corporations became interested in corporate branding *in relation to the longer-term developments*. They would also serve the objective of showing how the management interests – some of which were eventually translated to certain management practices of corporate branding – were, before the emergence of interest in corporate branding and the construction of a more unified management subject with interest in corporate branding, interests of *different* managers. Moreover, whereas in Part IV, I would have more of an objective to identify and describe the different interests translated to the various management practices of corporate branding, in Part III, I would rather have an objective to describe interests of different managers amidst the mobilizations related to the longer-term developments – *so as to arrive eventually at describing certain managers coming to have just those management interests which were later translated to the management practices of corporate branding*. Note that when eventually arriving, amidst the written description, at describing certain managers coming to have a certain management interest which was later translated to the management practices of corporate branding in corporate branding, I highlight and make the description of these particular interests stand out from the rest of the description of Part III with distinct typeface, or font. Then I use the same typeface in Part IV when describing the management practices of corporate branding [mP's] and the translation of management interests in corporate branding to them [mI's→mP's].

Finally, note that the objective, in Part III, to describe the interacting mobilizations and different managers' coming to have various interests particularly in relation to the above aspects of longer-term developments – in sections under corresponding headings based on to which of the aspects the interviewees mostly would relate them – would also mean that many mobilizations and interests that would closely relate to *many* aspects of the longer-term developments would be described in *many* sections. Mobilizations, component entities of entities, and translations of interests would have to be described, to some extent, over and over again. Still, I considered that also the readability of the description would speak for somewhat separate sections for the different aspects of longer-term developments. In text, one cannot practically describe everything in detail at once – the physical layout of the text in itself prescribes that the description spreads out. Moreover, readable text always progresses to some extent in a linear way. I considered that sub-division into different sections would make the description, which would as a whole be quite difficult to make into one, easily readable, fluent, linear story, consist of few stories which would, at least internally, be fairly easily readable, fluent, and somewhat linear. Then I would just make cross-references across the stories and describe the mobilizations, entities, and translations of interests in detail only under the heading of that aspect of longer-term development which the interviewees would most relate them to.

4.3 Validity, reliability

As mentioned above, Lee and Hassard (1999) note that ANT simply tends to leave the task of challenging its empirical base to the research and user communities it addresses. Moreover, Czarniawska and Hernes (2005b) suggest that ANT is about epistemological pragmatism and is not very concerned about the "method". However, the questions of validity and reliability cannot be easily dismissed.

Actually, in social scientific research, the concept of validity is a highly debated topic, since it has no single, generally agreed-upon definition (Winter 2000). Validity is often considered to generally refer to the truth or accuracy of the representations and generalizations made by the researcher; how true the claims made in the study are or how accurate the interpretations are. Hammersley (1987, p. 69), for instance, maintains than an "account is valid or true if it represents accurately those features of the phenomena, that it is intended to describe, explain or theorise". On the other hand, many researchers, particularly those doing qualitative social research like myself, emphasize that knowledge and truth are always culturally constructed in complex networks of power and thus never value-free and that we simply have no access to any truth about the state of matters in social life (Moisander and Valtonen 2006).

In any case, I still want to discuss, to some extent, the validity of the Description in Parts III and IV. This is motivated also by Lee and Hassard's (1999) notion that ANT is empirically realist. In a way, this notion, combined with the ANT tenets that we should learn from actors without imposing on them an *a priori* definition of their world-building capacities and that actors themselves make up everything implies to me that the descriptions should intend to describe the actors' world-building efforts and the validity of the descriptions, or how accurately the efforts are described, could be assessed to some extent. I maintain this, in spite of also maintaining, following Moisander and Valtonen (2006) that ultimately the validity of the research is simply something that the audience of the research report decides on.

If the applicability of the concept of validity is problematic in qualitative research and ANT studies, the applicability of the concept of reliability, in turn, is perhaps even more problematic. Reliability usually refers to the degree to which the findings of a study are independent of accidental circumstances of their production (Kirk and Miller 1986, p. 20). It deals with replicability, the question of whether or not some future researchers could repeat the research project and come up with the same results, interpretations and claims (Moisander and Valtonen 2006). In quantitative research, for instance, reliability tends to refer to the extent to which an experiment, test, or measurement yields the same result or consistent measurements on repeated trials. This is needed for drawing conclusions, formulating theories, and making claims about the generalizability of them. In this kind of research, it is a necessary but not sufficient condition for validity. But, like Moisander and Valtonen (2006) note, it can be claimed that in social research, particularly in qualitative social research, it is not possible to produce "consistent measurements" of social reality. Correspondingly, the idea of that some other researchers would actually replicate a study made by one – like the present study – in an attempt to verify that the methodological procedures yield consistent findings in repeated studies is not very sustainable.

Still, qualitative researchers are, somewhat according to the logic from quantitative studies, sometimes advised to make the research process transparent by describing the different methodological practices and processes in a sufficiently

detailed manner in the research report (Yin 1989, p. 45). Besides the methodological transparency concerning data production process, analytical procedures and principles, how interpretations were developed and conclusions drawn, qualitative researchers also pay often attention to theoretical transparency (Moisander and Valtonen 2006). That means making explicit the theoretical stance from which the interpretation takes place. Finally, reliability is often seen to refer to the overall practice of conducting research in a systematic and rigorous manner (Moisander and Valtonen 2006). For instance, it is often seen as important that interviews are carefully recorded and transcribed, and carefully coded and organized.

4.3.1 Descriptions based on the data, in general

The fact that the Description (Parts III and IV) about how the management of the Finnish P&P corporations became interested in corporate branding is based widely on retrospective accounts of managers and persons that had interacted with them gives a reason to consider that they reflect the emergence the management interests and the world-building around them fairly accurately, in general. This can be considered to set good preconditions for the Description to be valid. On the other hand, when it comes to the retrospective accounts, the interviewees could forget things, remember things wrongly or, deliberately or not, attempt to make their actions reflect smooth, desired, and planned paths of developments, even if they had been unexpected or undesired. This has a potential negative effect on the accuracy and validity of the Description. However, what reduces the negative effect is that the Description is based on comparing the accounts of individual interviewees with those of others, as well as with what various documents and earlier literature say: basically, nothing written in the Description is based only on one interviewee's account. Moreover, reducing the possibility that the Description would be largely based on such managers' accounts that would be trying to give a good impression of themselves and their corporations and concealing information of the real world-building that happened is the fact that not only managers – or managers still working – were interviewed, but others as well. The Description is also based on accounts of e.g. industry analysts, researchers, and consultants, as well as on the accounts of some retired managers, who assumingly have less need to give a good impression of themselves or their corporations or conceal information.

Particularly concerning the development of management interests and effects of various mobilizations of entities and their actions on them, as well as which managers' interests were in question, the Description can be considered fairly accurate to the extent that it is extensively based on the retrospective accounts of managers and persons that had interacted with them. Quotes from interviewees additionally improve the validity of the Description. Besides, comparisons that I have done with the documents and literature enable more accurate descriptions of the development of management interests and effects of various mobilizations of entities and their actions on them. On the other hand, information from documents and literature can be considered to improve the accuracy of the Description, relative to a case in which it would have been based only on interviews, particularly as the documents could inform me in more detail of mobilizations of entities and their actions actually realized back in the history – whether by management or the corporation or other mobilizations from elsewhere. The interviewees would not necessarily remember all these or the times of their occurrence; the "memory" of the documents and literature would be better.

When it comes to reliability, the research was, overall, conducted in a fairly systematic and rigorous manner. The interviews were recorded and carefully transcribed. The data from them was carefully coded and organized according to the types of descriptions detected (see pp. 61 and 67) and chronologically. Additional and more detailed data from documents and literature were added to the same organization of data. Writing the eventual description involved multiple rounds of writing and re-writing, as e.g. Moisander and Valtonen (2006) suggest. Finally, beyond the overall practice of conducting research in a fairly systematic and rigorous manner, methodological transparency is pursued by describing in fair detail the data production process and analytical procedures and principles particularly in sections 4.2.1 and 4.2.2, and Appendix D. Theoretical transparency is additionally pursued by describing in detail the theoretical stance from which the description took place – actually, the attempt at *avoidance* of taking an *a priori* theoretical stance – in the Introduction (sections 1.3.1 and 1.3.4), as well as in Chapter 3.

4.3.2 Description in Part IV

The division of the Description of how the management of the Finnish P&P corporations became interested in corporate branding is in itself, of course, an analytical move. The validity of answering the riddle with a description with this structure can be considered fairly good, though, particularly on the basis that the manager-interviewees seemed to structure, in their descriptions, their becoming interested by describing certain management practices and how certain management interests had been translated into those management practices (Part IV) and how these management interests had emerged amidst longer-term developments (Part III). Other structuring might have been possible, possibly equally or more valid. For instance, the description of Part IV could have, on its own, answered in some measure the question of how the management of the Finnish P&P corporations became interested in corporate branding. Nevertheless, it can be argued that answering how the management *became* interested in corporate branding requires a description of a process. And the description of how the management interests in corporate branding had emerged amidst the longer-term developments can be considered to be a fairly valid answer when it comes to the "*became*" aspect of the riddle, since the interviewees were widely relating the interests to those developments in their descriptions, as well.

Concerning particularly the Description in Part IV, the most important questions of validity relate to whether the *management practices [mP's]* that the management became interested in corporate branding were just those described and whether they were only those described and whether the *management interests [mI's]* behind corporate branding were just those described and whether they were only those described. These are relevant questions, particularly considering the research questions. First of all, it is likely that some managers, even top managers, in one or more of the corporations, also became interested in some other management practices of corporate branding than those described. Moreover, it is likely that some managers became interested in the management practices described also as translations of other interests than those described. And it is likely that some managers became interested in such management practices of corporate branding that were not described, as translations of such management interests of corporate branding that were not described, either. On the other hand, recall here that in my description, the management actually becomes constructed as a more unified subject, with interest in corporate branding, so that some

management practices of corporate branding served certain interests of most managers, albeit different interests. Note that this inherently means that it is likely that not all managers became interested in all the management practices of corporate branding that are described. And it also means that it is likely that not all managers became interested in the management practices as translations of all those interests described.

Especially the above points undermine the validity of the Description in Part IV, as far as the management practices of and interests in corporate branding are concerned. Nevertheless, based on the data gathered and the way it was analysed, I consider it likely that the management practices in which the management, considered as one subject and including the top managers in each of the three corporations, became most strongly and widely interested in corporate branding are described. Also, I consider it likely that the interests that the management, considered again as one subject and including the top managers in each of the three corporations, widely had strong behind those management practices are described. On the other hand, I consider it likely that no important management practices in which the management, particularly top managers, would have become strongly and widely interested in corporate branding are left undescribed. And I consider that no important interests the management, particularly top managers, would have widely had strongly in some management practices are left undescribed. These considerations are based particularly on the fact that many managers working for each corporation, including executives, even retired ones, referred to or described: each of the described management practices; the fact of the management, including top managers, becoming somewhat, quite, or very strongly interested in them as part of corporate branding; and the translations of the management interests to the practices. Also, a high level of saturation was reached in the interviews, in the sense that no additional management practices of or management interests in corporate branding could practically be identified from the last interviews any more. Due to the considerations above, the validity of the Description in Part IV concerning the management practices and interests, can, thus, be considered fairly good. Besides, the mobilizations of entities as instances of the management practices by the management or by each individual corporation (grey text boxes in Part IV) improve the validity, as "evidence" of the management being interested in the management practices in the early 2000s.

Another question of validity relates to the question whether the management became interested in the management practices at the level of detail described, as translations of the management interests at the level of detail described. It is likely that some managers, including top managers, in one or more of the corporations, became interested in the management practices defined more in detail than described. And it is likely that not all managers became interested in all the component entities of management practices that were described. For instance, some managers could become interested in simply continuous communication to employees and externally about the corporate values, whereas some could become interested in continuous communication defined much more in detail, e.g. when it comes to communication channels, communication materials, communication campaigns, wording of statements, frequency of communication etc. These points undermine the validity of the Description in Part IV as far as the description of the management practices and the translation of management interests to management practices are concerned. Nevertheless, the data was gathered and analysed in a way that the level of detail in the description somewhat corresponded to the level of detail most interviewees used when referring to management practices and them as translations of management interests in their descriptions – when not forced to

make descriptions to very detailed level. Due to this, the validity of the Description in Part IV can be considered to be fairly good.

Yet another question of validity relates to the question whether the management interests Othered by the management practices of corporate branding were just those described and whether they were only those described. It is likely that also some other interests of the management, particularly of some managers, in one or more of the corporations, were Othered by the management practices of corporate branding. It is also likely that not all the managers considered that those interests described were Othered by the management practices of corporate branding or in the way described. These points somewhat undermine the validity of the description. Nevertheless, based on the data gathered and the way it was analysed, I consider it likely that the management interests which the management, including even some top managers in each of the three corporations, considered mostly Othered by the management practices of corporate branding are described. Also, I consider it likely that no important management interests that would have become clearly Othered by management practices of corporate branding are left undescribed. These considerations are based particularly on the fact that many managers working for each corporation, including executives, even retired ones, referred to or described: each of the Othered management interests described; the fact of the management, including some top managers, considering them somewhat suppressed by the management practices of corporate branding; and how they were suppressed. In this sense, the validity of the Description in Part IV concerning the Othered management interests can be considered fairly good. However, many managers were not referring to or describing any Othering by the management practices of corporate branding, their descriptions focusing instead on translations of management interests to management practices. This means that the validity of the Description in Part IV concerning the Othered management interests is not as good as that of the description of the management practices and translations of management interests to management practices. This, in turn, means that the description is best viewed, with a limitation, as validly describing management interests that were somewhat Othered or could *potentially* have been Othered by the management practices of corporate branding.

4.3.3 Description in Part III

In Part III, I intended to describe how managers came to have management interests in corporate branding (the translation of which to management practices of corporate branding would be described in Part IV) in relation to some taken-for-granted aspects of longer-term development since the 1980s and the early 1990s, such as shareholders, shareholder value, share price; differentiation in the market; selling own products; environmental responsibility issues; and international expansion. I also intended to describe how managers came to have management interests in corporate branding in relation to the aspect of and at the specific moments of the mergers and acquisitions around the year 2000. Although the interviewees widely related the management interests to these aspects, which suggests that the validity of the description in relation to them is fairly good, the description in relation to them must be acknowledged as a limitation when it comes to how valid the Description can even potentially be in describing how the management became interested in corporate branding. Namely, particularly relating the description to the taken-for-granted aspects was partly also a conscious choice by me, albeit grounded in the managers interviews, as described. On the

other hand, the description might have been related to other developments, too, and relative to other situations of beginning than that in the 1980s.

Accepting and taking into account the above intention and limitation, when it comes to the description of the situation in the early 1980s at the beginning of Part III (Chapter 5), the description of entities and their relationships then can be considered fairly valid to use as a starting point for describing how the management became interested in corporate branding. This can be considered based on the fact that interviewees widely referred to and described just some of the described entities and their relationships in relation to the aspects of longer-term developments and how these entities and their relationships had become different by the late 1990s and early 2000s. The validity of the description is increased by the fact that the documents and literature studied made references to and descriptions of same entities and their relationships, as well as further informed me in more detail of the entities and their relationships.

There is a further limitation one should readily acknowledge when it comes to validity of finding answers to the riddle in relation to the longer-term developments. Particularly concerning the managers' coming to have certain interests, my intention was to focus on describing managers coming to have them more strongly after the recognition of certain mobilizations related to the aspects of longer-term developments and their effects and as further translations of these interests. The intention was not so much to describe them as translations of *all* possible interests they could serve or be translations of – the final Description would not describe exclusively all the interests, let alone mobilizations, behind the immediate management interests in corporate branding.

On the other hand, based on the data gathered and the way it was analysed, I consider that the Description in Part III comprises a valid description – limited to the above-mentioned intention. This consideration is based mainly on the fact that many managers working for each corporation, including executives, referred to or described each of the described management interests; the fact of their getting stronger from the recognition of certain mobilizations related to the aspects of longer-term developments; and/or them as further translations of other interests – eventually describing also managers coming to have the management interests of corporate branding, which was the main objective for the Description in Part III. Furthermore, a high level of saturation was reached in the interviews, particularly in that no such additional interests related to the longer-term developments which managers would have come to have "between" the situation in the early 1980s and the management interests of corporate branding were practically described. Moreover, the consideration is corroborated by the use of documents and literature. The documents and literature studied made references to and descriptions of the same management interests; their getting stronger from the recognition of certain mobilizations related to the aspects of longer-term developments; and as further translations of these interests. They also further informed me in detail about these. Particularly they informed me in more detail of the mobilizations of entities and their actions *actually realized* back in history – whether by management or the corporations or other mobilizations from elsewhere, "between" the situation in the early 1980s and the eventual emergence of the management interests in corporate branding. The interviewees would not necessarily remember all these or the time of their occurrence; the "memory" of the documents and literature would be better.

Based on these considerations, also the validity of the Description in Part III can be considered fairly good. However, note again that to accept this, one has to acknowledge certain limitation in intentions of the description (particularly, the

structuring based on the different aspects of longer-term developments in itself) and thus in how valid the Description can even potentially be in describing how the management became interested in corporate branding, or in relation to the longer-term developments.

PART III

Description: Management interests (in corporate branding) by the 2000s and at the moments of mergers and acquisitions

5   Start situation in the early 1980s: Aspects *not* taken for granted

Recall that I wanted to find answers to the riddle of how come the management of the Finnish P&P corporations became interested in corporate branding in relation to five *taken-for-granted aspects*: (1) shareholders, shareholder value, share price; (2) differentiation in the market; (3) selling own products; (4) international expansion; and (5) environmental responsibility issues. According to ANT, I look into how the management became interested in corporate branding by starting to study developments from such a point on where the aspects were not taken for granted, or "black-boxed", yet (e.g. Latour 1987). In this Chapter, I "arrive" *before* the aspects were taken for granted in the Finnish P&P corporations. As the description shows, in the early 1980s, they were not very taken-for-granted. Particularly, in the early 1980s, shareholders, shareholder value, and share price were not considered very important, the corporations were not differentiated in the market, they did not generally sell their own products, the corporations were international only in a very narrow sense, and environmental issues were not of very critical importance.

So, I will not study the management interests in corporate branding by treating the five aspects as taken-for-granted, or somewhat "ready-made", but study the management interests while the aspects were, in Latour's words, "in the making" (Latour 1987, p. 13), or being black-boxed. On the other hand, opening black boxes and *not* viewing the management interest in corporate branding simply as natural continuity to or as culmination of the developments related to the taken-for-granted aspects is fairly consistent also with Foucault's (1971) opposition to viewing history as continuity or representative of a tradition. Foucault opposes historical approaches dissolving things and events into an ideal continuity of a teleological movement towards an end or of a natural process.

The description in this Chapter 5 represents the start situation concerning the taken-for-granted aspects in the early 1980s. In the next chapter, Chapter 6, I will then describe how different managers of the Finnish P&P corporations came to have, amidst the process of black-boxing of the taken-for-granted aspects and the longer-term developments occurring relative to the situation in the early 1980s[13], various interests which would later become management interests in corporate branding [mI's] and be served by or translated to management practices of corporate branding [mP's]. See Figure 2 below, as well as Figure 1 (p. 18), to get a picture of how this Chapter relates to the overall structure and logic of Parts III and IV.

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[13]   See also Chapter 4.2 (Analysing the data and writing the description, p. 60) and particularly section 4.2.2 (Description in Part III, p. 67) for more details on how the description was written on the basis of the analysis of the data.

Figure 2: Structure and logic of Part III.

Management interests by the 2000s

Management interest (in corporate branding) #MI1
Management interest (in corporate branding) #MI2
Management interest (in corporate branding) #MI3
Management interest (in corporate branding) #MI4
Management interest (in corporate branding) #MI5
Management interest (in corporate branding) #MI6
Management interest (in corporate branding) #MI7
Management interest (in corporate branding) #MI8
...
Management interest (in corporate branding) #MI18

PART IV

PART III:
Management interests (in corporate branding) by the 2000s and in the moments of mergers and acquisitions

CHAPTER 5: Start situation in the early 1980s: Aspects not taken for granted

IN THE EARLY 1980S

CHAPTER 5.1
NOT TAKEN FOR GRANTED: Shareholders, shareholder value, share price

CHAPTER 5.2
NOT TAKEN FOR GRANTED: Differentiation in the market

CHAPTER 5.3
NOT TAKEN FOR GRANTED: Selling own products

CHAPTER 5.4
NOT TAKEN FOR GRANTED: International expansion

CHAPTER 5.5
NOT TAKEN FOR GRANTED: Environmental responsibility issues

CHAPTER 6: New management interests (in corporate branding) amidst black-boxing of the taken-for-granted by the early 2000s

BY 2000S

CHAPTER 6.1
Shareholders, shareholder value, share price (black-boxing)
Mobilizations Interest Mobilizations Interest I M I I I

CHAPTER 6.2
Diff. of products AND Selling own products (black-boxing)
Mobilizations Interest Interest M I I M I I M I

CHAPTER 6.3
Mobilizations Interest Interest M I I I M I M I
Selling own products AND Diff. beyond products (black-boxing)

CHAPTER 6.4
International expansion (black-boxing)
Mobilizations Interest Mobilizations I M I I M I

CHAPTER 6.5
Environmental responsibility issues (black-boxing)
Mobilizations Interest M I I I M I M I I

CHAPTER 7: New management interests (in corporate branding) and moments of mergers and acquisitions around year 2000

Interest Mobilizations Interest I M I I
Mergers and acquisitions around year 2000

BY 2000S

5.1 *Not* taken for granted in the early 1980s: Shareholders, shareholder value, share price

In the early 1980s, Finland was still a rather capital-poor country. The domestic equity market was rather underdeveloped from the point of view of large corporations[14]. Households were largely using their savings to be able to obtain house loans, rather than investing them in the stock market. The housing system was largely based on family ownership, as the market for renting a house or an apartment was rather limited. On the other hand, banks' rules for lending money were strict in the sense that the borrower had to have a considerable part of the capital needed for the house or apartment saved. This meant that a typical household often kept its savings safely on a bank account to be able to later buy a house or an apartment by taking a bank loan or use the savings to pay off an existing loan and the interests.[15] Moreover, even for households with extra savings, investing in stock was not popular. For instance, there were practically no investment funds available before 1987 when a new law allowed banks to form them[16]. Thus, the amount of equity capital available in the domestic market was quite limited for large Finnish corporations. Incidentally, it was just the P&P corporations that were generally in need of most capital, due to the capital-intensity of the industry and the corporations being among the very largest corporations in the Finnish economy. Indeed, the cost of building a new paper machine, for instance, could be hundreds of millions of dollars. And in the mid-1980s, about forty manufacturing companies among the top 100 originated from the forest industry[17], and the forest industry corporations accounted for almost two fifths of Finnish exports, one fifth of Finnish industrial production, and from three to five percent of GDP, pulp and paper constituting the majority of these forestry exports, products, and production[18].

The *domestic* equity market, then, was not a feasible source of large amounts of capital for the P&P corporations. But neither was the *foreign* equity market. This was mainly due to government regulations restricting the share of foreign ownership in corporations, in normal cases, to 20 percent. Thus, the P&P corporations were highly dependent on credit capital. The whole finance system was credit-based, wherein capital was allocated largely through banks. Nevertheless, Finnish banks and the credit market were under strict government regulations, too. The corporations could not take long-term loans from abroad without an authorization from the central bank, the Bank of Finland. The procedure to get an authorization was difficult and complicated and was used only when such special investments were to be made which even the Finnish banks could not finance due to lack of capital. Moreover, the Bank of Finland would demand that the special investments that would be made with imported credit capital would come to generate revenues from exports with which the capital could be paid back. It would also investigate that the investments would not lead to inflation pressures, for instance, due to increased demand for wood in certain areas, in case new pulp or paper mills would be built.[19]

Authorization to import foreign credit capital, hence, was hard to get. And even though it could be obtained for special investments, the Finnish P&P corporations relied largely on Finnish

[14] Tainio, Risto and Kari Lilja (2003), "The Finnish business system in transition: outcomes, actors and their influence", in *Northern Light – Organization Theory in Scandinavia*, Barbara Czarniawska and Guje Sevón, eds. Malmö, Sweden: Liber. pp. 69–87.

[15] Lilja, Kari, Keijo Räsänen and Risto Tainio (1991), *Sectoral foundations of competitive advantage: The case of Finnish forest corporations*. Working paper F-296. Department of Business Administration and Management Systems, Helsinki School of Economics and Business Administration, Helsinki, Finland.

[16] Hildén, Riitta (2005), "Sijoitusrahastossa piensijoittaja saa suuruuden etuja", *OP-Lehti*, 1.
Sipilä, Matti (ed.) (2000), *Pankkikatsaus, 1/2000*. Helsinki, Finland: The Finnish Bankers' Association.

[17] Räsänen, Keijo (1989), "Corporate evolution in a forest-sector society: sectoral roots and strategic change of Finnish corporations, 1973-1985", Working Paper 89-11. EIASM, Brussels, Belgium.

[18] Anon. (a) (2004), "Merkitys Suomelle" [online]. Finnish Forest Industries Federation.
http://www.metsateollisuus.fi/talous/merkitys/. (Accessed 12.9.2005).

[19] Interviews (with Anttila 8.11.2005).

banks for credit. The banks, in turn, borrowed money from the Bank of Finland, which determined the lending rates. Deposit rates were not varied between banks, either. Regulated interest rates provided the banks with relatively high and stable profits and there was a constant excess of demand for credit in the economy. The competition among the banks was rather superficial.[20]

Basically, the largest P&P corporations were closely connected to a certain bank that would serve as their main creditor. For instance, of the predecessors of UPM-Kymmene, United Paper Mills (UPM) was relying on credit of one of the two large commercial banks, Kansallis-Osake-Pankki (KOP), and KymiKymmene (Kymi) on credit of the other, Suomen Yhdyspankki (SYP). A cooperative bank group, originating from farmers' economic activities, was the primary creditor of Metsäliiton Teollisuus, the predecessor of M-Real, albeit that it could raise capital also from other banks, as well as from its owner Metsäliitto Cooperative, whose members were Finnish forest-owners. Enso-Gutzeit (Enso), the Finnish predecessor of Stora Enso, was, in turn, financed mainly by the state-owned bank Postipankki, although Enso was financed also by other banks, as well as directly by its majority owner, the Finnish State. In the mid 1980s, these and other P&P corporations were generally highly debted to their respective creditor banks due to heavy investments in expensive paper machines, and dependent on further credit always when new investments were planned. Thus, they were heavily dependent on the banks.[21]

On the other hand, a bank would be very dependent on the large P&P corporation it credited, too. The corporation was an important customer for the bank: it was a buyer of large loans and the bank was taking care of the corporation's day-to-day money transactions. For instance, in 1984, KOP's three largest loan customers were P&P corporations UPM, Rauma-Repola (which also operated in the mechanical engineering industry) and Kajaani. Their loans constituted half of the loans granted to KOP's ten biggest customers[22]. Moreover, the employees of the corporation would often use the same bank whose customer the corporation was. Thus, there was reciprocal interdependency between a large P&P corporation and its main creditor bank. And this interdependency was further strengthened by cross-ownership stakes and Board memberships. The bank could own significant share of the corporation's stock and the corporation could own some share of the bank's stock. The CEOs of the bank often sat in the Board of the corporation, usually as chairmen, and the CEO of the corporation could sit in the Board of the bank[23]. Moreover, there were often close, cooperation-oriented personal relationships between the managers of the bank and the P&P corporation, not seldom based on family relationships or sharing the same language (Finnish vs. Swedish)[24]. Information was shared, friendships were cherished, and reciprocal favours were made. Finally, particularly the bank Boards formed ultimate elite societies on the national level: few top managers, including those of the P&P corporations, would be willing to miss membership in these societies[25].

In effect, in the case of UPM and Kymi, the interdependency relationships they had to the banks KOP and SYP, respectively, gave form to particular spheres, i.e. bank spheres. The banks and their CEOs would exert considerable power on the large P&P corporations – sitting in the

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[20] Tainio and Lilja 2003.

[21] Näsi, Juha and Pasi Sajasalo (2006), "Consolidation by game-playing: A gamesmanship inquiry into forestry industry", in *The Evolution of Competitive Strategies in Global Forestry Industries,* Juha-Antti Lamberg, Juha Näsi, Jari Ojala, and Pasi Sajasalo, eds., Dordrecht, The Netherlands: Springer. pp. 225-256.
Näsi, Juha, Pasi Ranta, and Pasi Sajasalo (1998), *Metsäteollisuuden megamuutos. Pelinäkökulmainen analyysi suomalaisen metsäteollisuuden kehkeytymisprosesseista vuosina 1985–1996.* Publication 114/1998, School of Business and Economics, University of Jyväskylä, Jyväskylä, Finland.

[22] Kuisma, Markku (2004), *Kahlittu raha, kansallinen kapitalism – Kansallis-Osake-Pankki 1940-1995.* Helsinki, Finland: Suomalaisen Kirjallisuuden Seura. pp. 353–354.

[23] Kuisma 2004, pp. 327–328; 341;
Ojala, Jari and Juha-Antti Lamberg (2006), "The challengers: Kymmene, United Paper Mills, and Metsäliitto", in The Evolution of Competitive Strategies in Global Forestry Industries, Juha-Antti Lamberg, Juha Näsi, Jari Ojala, and Pasi Sajasalo, eds., Dordrecht, The Netherlands: Springer. pp. 107-139.

[24] Näsi and Sajasalo 2006.

[25] Kuisma 2004, p. 341.

Boards and having the close personal relationships to the operative top managers. Moreover, the same banks would have similar power also in many other Finnish industrial corporations, including many smaller corporations operating in the P&P industry. The interdependencies formed particular blocs or spheres whereby the bank in the center would exert significant power on the P&P corporations in its sphere, partly based on ownership position and partly based on the position of being a large creditor, and ultimately based on individuals in managerial and Board positions having the cooperation-oriented personal relationships. For instance, corporations operating in the P&P industry on a smaller scale, such as Rauma-Repola and Kajaani, belonged to KOP's sphere, whereas corporations such as Kaukas and Schauman belonged to SYP's sphere.[26] A powerful individual or person – a power person – of the former sphere was the CEO of KOP, Jaakko Lassila, who sat in the Boards of dozens of Finnish corporations, including UPM, Rauma-Repola, and Kajaani[27]. One power person of the latter sphere was the CEO of SYP, Mika Tiivola. In this sphere, another power person was Casimir Ehrnrooth, the CEO of Kaukas and, later, Kymi (Kymmene), a Board member of SYP, and a headman of Ehrnrooth family, which owned significant stakes in a variety of corporations, including SYP, Kaukas, and Kymmene.[28] The brother of Casimir Ehrnrooth, Gay Ehrnrooth, was the CEO of Schauman[29].

The somewhat centralized control in the sphere was even further emphasized through e.g. certain insurance companies cooperating with the banks. Also the insurance companies could have complex cross-ownership, cross-customer-relationships, cross-Board/Director-relationships, and cross-manager-relationships with the banks, as well as with the corporations of the sphere.[30] For instance, KOP had strong ties to the insurance company Pohjola and SYP to another insurance company, Teollisuusvakuutus[31]. Moreover, there were many culture and science funds closely associated to the banks through ownership and management relationships. These funds were often significant owners of the corporations in the spheres[32].

When it comes to Enso and Metsäliiton Teollisuus, they were not as dependent on credit from single banks as UPM and Kymi, since their majority owners could finance them to larger extent. However, beyond the two bank spheres, they belonged to spheres of their own, mostly based on equity and ownership. Enso's majority owner was the Finnish State and it belonged to the State's sphere. In this sphere, there were numerous State-owned companies, governed to various degrees by ministries and politicians[33]. These companies included also other P&P corporations, such as Veitsiluoto. Later, corporations that ended up in the ownership of the Bank of Finland, such as Tervakoski and Tampella, also came to belong to this sphere. Metsäliiton Teollisuus, in turn, was fully owned by Metsäliitto Cooperative, which had tens of thousands of Finnish forest-owners as members. It belonged to the sphere of agri-capital originating from farmers' and forest-owners' economic activities, including mostly cooperatives related to the

26 Näsi, Ranta, and Sajasalo 1998; Näsi and Sajasalo; Ojala and Lamberg 2006.

27 Kuisma 2004, pp. 327–328; Näsi and Sajasalo 2006, p. 238.

28 Näsi and Sajasalo 2006.

29 Ojala, Jari and Kalle Pajunen (2006), "Two family firms in comparison: Ahlström and Schauman during the 20th century", in *The Evolution of Competitive Strategies in Global Forestry Industries*, Juha-Antti Lamberg, Juha Näsi, Jari Ojala, and Pasi Sajasalo, eds., Dordrecht, The Netherlands: Springer. pp. 167-189.

30 Näsi and Sajasalo 2006.

31 Kuisma 2004, pp. 323–324; Näsi and Sajasalo 2006.

32 Kuisma 2004, p. 341;
Kuisma, Markku (2000), "Murtuva pankkivalta – KOP:n verkostot 1980-luvulla" [online], *Historiallisia papereita*, 6.
http://www.helsinki.fi/hum/hist/yhd/julk/verkko00/kuisma.html#viitepaikka4 (Accessed 10.10.2005).

33 Näsi, Juha (2001). "Historiallis-strateginen lähestymistapa suomalaisen metsäteollisuuden kehkeytymiseen", in *Metsäteollisuusyritysten strategiset kehityspolut*, Juha Näsi, Juha-Antti Lamberg, Jari Ojala and Pasi Sajasalo, eds. Helsinki, Finland: Metsäalan tutkimusohjelma Wood Wisdom. pp. 13–23.
Lamberg, Juha-Antti (2001b). "Yhtiö joka ei välittänyt velasta eikä valtiosta. Enso-Gutzeit 1918-1998.", in *Metsäteollisuusyritysten strategiset kehityspolut*, Juha Näsi, Juha-Antti Lamberg, Jari Ojala and Pasi Sajasalo, eds. Helsinki, Finland: Metsäalan tutkimusohjelma Wood Wisdom. pp. 56–69.
Lamberg, Juha-Antti (2006), "A company and the state: Enso-Gutzeit", in *The Evolution of Competitive Strategies in Global Forestry Industries*, Juha-Antti Lamberg, Juha Näsi, Jari Ojala, and Pasi Sajasalo, eds., Dordrecht, The Netherlands: Springer. pp. 31-63.

processing or retailing of agricultural products. The sphere also involved a powerful political party – the main supporters of which the same farmers and forest-owners were.[34]

Figure 3 below illustrates how the most important Finnish corporations with P&P business belonged to the four different capital spheres in the mid-1980s. Besides the above-mentioned corporations, there were P&P corporations, such as Myllykoski, Ahlström, Serlachius, and Rosenlew, not belonging strongly to any of the spheres. These were often family-owned private corporations. Some corporations, in turn, were "between" spheres, e.g. being owned half-half jointly by corporations in different spheres; e.g. Kemi and Oulu were such corporations.[35]
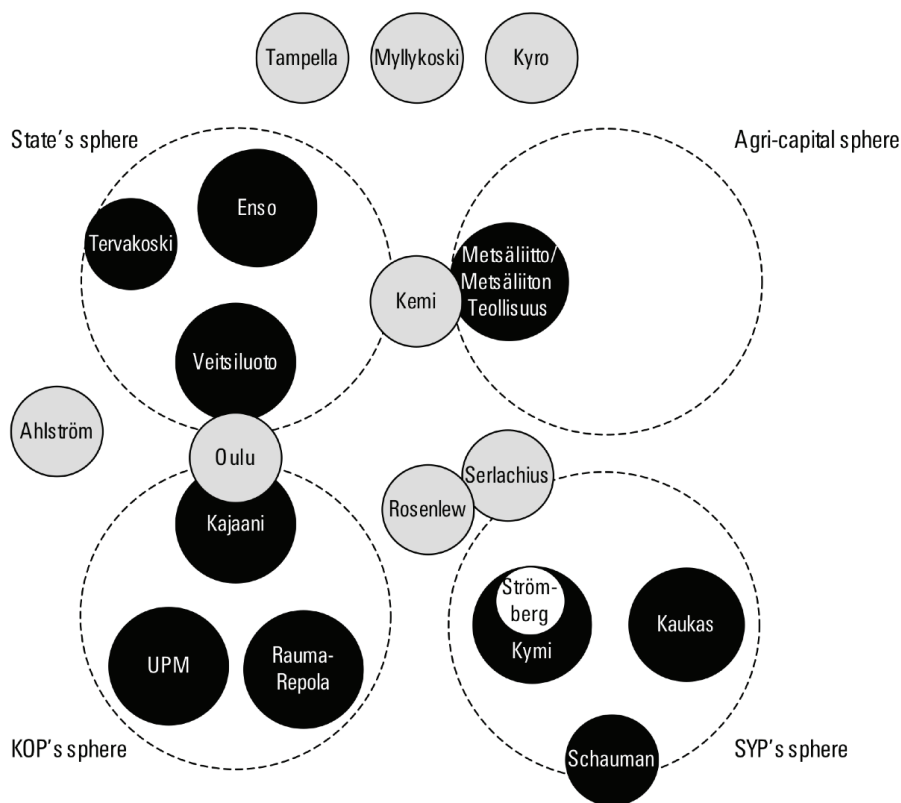
Figure 3: Finnish capital spheres and P&P corporations in the mid-1980s.

The dependency on credit capital and the sphere arrangements basically meant that the managers of the large Finnish P&P corporations were not very interested in the shareholders of the corporations, except for those shareholders that held power in the spheres, such as the banks and insurance companies, families, forest-owners, or the State. Particularly, managers were not very interested in potential new shareholders. There was a lack of equity capital in Finland and foreign ownership of corporations was limited.

Furthermore, the shareholders were not very demanding when it came to e.g. the share price of the corporations or large profits or dividends. Finnish private individuals and households and institutional investors largely cherished, as shareholders, their investment in the shares as a reflection of national pride and protected it as national property. Some families, which owned large shares of the stock of some corporations, in turn, largely cherished the investment as a

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[34] Näsi and Sajasalo 2006; Ojala and Lamberg 2006.

[35] Näsi and Sajasalo 2006; Näsi, Ranta, and Sajasalo 1998.

reflection of family pride. These families included e.g. the Ehrnrooth family who were significant owners of Kymmene and later UPM-Kymmene and the Serlachius family who were significant owners of Serlachius and later Metsä-Serla. These shareholders were not demanding large profits or dividends from the corporation very strictly and even less strictly rising share prices[36] – in a way, they and their capital were "patient"[37].

The central actors of the spheres, in turn, did not much demand rising stock price or large profits or dividends from the corporation, either[38]. The corporations that belonged to the bank-spheres, particularly UPM and Kymi, were among the most important customers – if not the most important of all – of the particular banks. For the banks, the ownership was largely a way of ensuring the continuity of central customer relationships[39], as well as simply the power over the sphere. Concerning Enso, for the State, the major ownership was largely a way of ensuring that this big P&P corporation operated in a way that benefited the Finnish society, e.g. creating and maintaining labour demand in certain regions of the country, e.g. Eastern Finland.[40] This was still true to a fairly large extent through the 1980s[41]. Finally, concerning Metsäliiton Teollisuus, for the forest-growers, the ownership was largely a way of ensuring that the corporation bought wood from them to be used in pulp- and paper-making with a good price[42]. So, rising share prices and large profits or dividends were not strict demands for these shareholders, either. They and their capital could, then, also be considered "patient".

Finally, when it came to dividends, the Finnish corporate tax system made shareholders less demanding. In the early 1980s, corporate tax on profits was very high, between 55 and 60 percent.[43] It would be more preferable not to show much profit but to invest heavily with debt financing, to be able to deduct from earnings depreciations and interest costs, which were tax deductible[44]. At the same time, real interest rates were often zero or even negative, the inflation being high at about 10 percent and nominal interest rates at about the same level. This further made investments with debt financing preferable. Heavy investments could be partly justified just for the sake of investing: this had been to some extent the case, as some P&P corporations had diversified to e.g. shipping and chemical businesses. Moreover, the tax system allowed inventory reserve and undervaluations to be made about inventories; excessive inventories were therefore also piled up by the P&P corporations so that profits would seem even lower. So, since it would be preferable not to show much profit, demands on dividends would be less strict. Furthermore, demands on dividends would be less strict, as the Finnish shareholders, who represented at least four fifths of the shareholders, were taxed rather harshly on their potential dividend income. Actually, in the early 1980s, there was dual taxation on dividends, as the

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[36] Iivonen, Jyrki (1998), "Metsäyhtiöiden kurssien kehitys näyttää heikolta. Sijoittajat epäilevät metsäteollisuuden kykyä investoida järkevästi", *Helsingin Sanomat*, 20.8.1998.

[37] Lilja, Räsänen and Tainio 1991; Tainio and Lilja 2003;

[38] Ojala, Jari, Anders Melander, Juha-Antti Lamberg (2006), "Competitive behaviour and business innovation in the forest industry: Family firms, listed companies and cooperatives compared". XIV International Economic History Congress, Session 40, Helsinki, Finland
Ojala, Jari, Juha-Antti Lamberg, Anna Ahola, and Anders Melander (2006), "The ephemera of success: Strategy, structure and performance in the forestry industries", in The Evolution of Competitive Strategies in Global Forestry Industries, Juha-Antti Lamberg, Juha Näsi, Jari Ojala, and Pasi Sajasalo, eds., Dordrecht, The Netherlands: Springer. pp. 257-286.

[39] Ojala, Jari (2001), "Suuri, vauras ja velkainen. Kymiyhtiö 1900-luvulla", in *Metsäteollisuusyritysten strategiset kehityspolut*, Juha Näsi, Juha-Antti Lamberg, Jari Ojala and Pasi Sajasalo, eds. Helsinki, Finland: Metsäalan tutkimusohjelma Wood Wisdom. pp. 27–55.

[40] Ahvenainen, Jorma (1992), Enso-Gutzeit Oy 1872-1992, 2: 1924-1992. Jyväskylä, Finland: Gummerus. p. 690.
Rytteri, Teijo (2003), "Enso-Gutzeitin yhteiskunnallisen vastuun muotoutuminen", Terra, pp. 75–87.
Lamberg 2006.

[41] Albeit that the intertwining of the corporation to State politics had become weaker since 1982 and further since the resolution of the Council of State in 1983, stating that the business of state-owned companies was to be profitable and unprofitable units should not be maintained and that State-owned companies should not have societal or other special tasks which would weaken their profitability or put them into a disadvantageous position relative to competitors. (ibid.)

[42] Lamberg, Juha-Antti (2001a), "Isäntien metsäteollisuus. Metsäliitto-ryhmittymä 1934–1998", in *Metsäteollisuusyritysten strategiset kehityspolut*, Juha Näsi, Juha-Antti Lamberg, Jari Ojala and Pasi Sajasalo, eds. Helsinki, Finland: Metsäalan tutkimusohjelma Wood Wisdom. pp. 93–109.
Ojala and Lamberg 2006.

[43] Interviews (with Anttila 8.11.2005).

[44] Interviews (with Anttila 8.11.2005);
Ojala, Lamberg, Ahola, and Melander 2006.

company first paid high corporate taxes on profits and the shareholder then high taxes on dividend income.[45]

5.2   *Not* taken for granted in the early 1980s: Differentiation in the market

In the 1980s, Finnish P&P corporations were mainly mass-producing standard paper grades such as newsprint, super-calendered (SC) magazine paper, light-weight coated (LWC) magazine paper, and uncoated fine paper; standard paperboard grades; and standard grades used in the production of corrugated board, or case-making board grades. One corporation would own one or several mills. Mills had a couple of paper or board machines, usually concentrating either on the production of one or several paper grades, or one or several board grades. One machine would be producing one or a few grades. So, one corporation would typically produce a few of the paper and/or board grades.[46]

In addition to paper and board, some corporations could produce e.g. pulp and wood products, such as special plywood products, sawn products, and veneer products. Also, various converted paper and board products could be produced, such as notebooks, envelopes, stationery, and corrugated cases, as well as various converted wood products, such as wooden houses. Furthermore, the corporations could be diversified to e.g. machine engineering, chemical manufacturing, printing, energy production, and shipping businesses.[47] Machine engineering could to some extent serve the building and rebuilding of paper machines; paper production needed various chemicals and a large amount of energy; products could be partly shipped abroad with the corporations' own ships. Kymi and Enso were particularly diversified. For instance, in the 1980s, Kymi still had chemical manufacturing, machine engineering, brick manufacturing, air conditioner manufacturing, and printing businesses[48], and Enso had shipping, energy production, and wooden house manufacturing businesses[49]. In any case, it was the paper and board products that were the most important products for most of the corporations.

Paper grades. *Newsprint* and *SC* and *LWC magazine papers* were produced by using wood as the main raw material. Wood would be broken into fibres, or its structure broken into a porridge-like pulp, and this pulp would be processed into paper. Newsprint, SC, and LWC were mechanical papers, meaning that they would mostly contain mechanical pulp in which the wood fibres were detached from each other by mechanical stress. Use of mechanical pulp would give the papers good opacity (non-transparency) even at low thickness or basis weights (g/m2), as well as good printability, but also make them lack strength and give them the tendency to slowly turn yellowish when exposed to the UV radiation of sunlight. Chemical pulp, or pulp in which the wood fibres were detached from each other by cooking woodchips in chemicals, would be added to the papers to increase their strength. Moreover, these papers would contain various fillers and coating minerals.

Newsprint would be supplied to large publishers and their printing houses for use in the printing of newspapers. It could be used also in printing less demanding magazines and advertising catalogues. Measured in tonnes, newsprint was the most widely consumed paper grade globally and Finnish, other Nordic, and Canadian companies were the largest producers.

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[45]   Interviews (with Anttila 8.11.2005).

[46]   The description concerning paper and board products is mainly based on:
Rohweder, Thomas (1993), *Product Reorientation in the Finnish Paper Industry. Doctoral Thesis*, Helsinki School of Economics and Business Administration, Helsinki, Finland. pp. 9–15; and
Anon. (e) (1999), *Puusta jalosteeksi* [online teaching material]. Finnish Forest Association and Finnish Forest Industries Federation. http://www.smy.fi/koulut/puustajalosteeksi.html (Accessed 15.9.2005).

[47]   Ojala, Lamberg, Ahola, and Melander 2006; Ojala and Lamberg 2006; Lamberg 2006.

[48]   Ojala 2001, pp. 42–45.

[49]   Ahvenainen 1992, p. 688.

Magazine papers would also be supplied to publishers and printing houses, for use in the printing of four-colour magazines, catalogues, direct mail advertising items, etc. with relatively high information capacity requirements. Finnish P&P corporations would hold a share of tens of percents of the world supply of these papers.

Uncoated (woodfree) fine paper would be made mainly of chemical pulp and would contain less than 10 percent of mechanical pulp, giving the paper good strength, brightness, and archiving characteristics. The Finnish P&P corporations produced mainly uncoated fine papers. Uncoated fine paper would be supplied in reels to large converters who would convert the paper into e.g. notebooks and envelopes. Uncoated fine paper would be supplied in reels also to large publishers and printing houses, for use in e.g. printing books. Moreover, commercial printers, which were printing companies often smaller in size and specialized in serving businesses and advertisers, would be supplied uncoated fine paper in printing e.g. brochures, pricelists, catalogues, and manuals, as well as preprinted forms for business and office use, such as invoices, letter heads, and bank statements. They would be supplied paper both in reels and in sheets of various sizes. Finally, a great amount of uncoated fine paper would be supplied to office photocopier use in sheets, typically in A4 cutsize, and for office printer use, in sheets and in continuous paper format.

When it comes to *coated fine paper*, the production of the Finnish P&P corporations was marginal. Coated fine paper would be used in printing books, some advertising materials, and even some high-end special interest magazines. Premium double-coated fine papers would be used in printing e.g. art books with high demands on picture and photo quality.

In addition to the above, some of the corporations had production of tissue papers, as well as some special papers, such as greaseproof papers and carbonless papers.

Paperboard grades. Paperboard grades were multilayer products, consisting of layers made of different kinds of pulps or recycled fibre. The top layer would usually be coated and the reverse uncoated or coated. Among specific paperboard grades, there were e.g. folding boxboard (unbleached back), foodboard (bleached back), and solid bleached board (bleached back). The top layer could have different amounts of coating. Paperboards would be mainly supplied to large producers of carton packages, or folding boxes. A smaller amount could be supplied also to printers for graphic use in printing of e.g. post cards, greeting cards, and pocket book covers. The Finnish P&P corporations produced a significant portion of the world supply of paperboard.

Case-making boards would be supplied to large producers of corrugated board and boxes. Case-making boards included liners and fluting grades. Kraftliner would be produced of chemical pulp and used as topliner for corrugated board. Testliner would be a substitute for kraftliner and produced of recycled waste paper. Fluting would be produced of either chemical pulp or recycled fibre and used in the middle layer of corrugated board.

Most of the paper and board products produced by Finnish P&P corporations were rather standard commodity products grades in the sense that in the market areas where they were sold, there were also other producers – with mills e.g. in Sweden, Norway, Germany, France, Canada, and the US – selling them in large volumes, and in the sense that the quality differences between the products of different producers were small, which made the products highly interchangeable to customers[50]. This concerned, albeit to varying degrees, particularly the most important products, such as newsprint, SC, LWC, and case-making boards, which were produced in high volumes with large machines by many producers and sold in the same market areas. Nevertheless, by the mid-1980s, another important product, i.e. office paper, was also

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[50]   Diesen, Magnus (1998), *Economics of the pulp and paper industry*. *Papermaking Science and Technology. Book 1.* Helsinki: Fapet. p. 61.

becoming a commodity product, as many similar, large-volume machines were starting to supply it to the market at a similar quality level[51].

Particularly, it was the technical quality of the products representing a certain grade that would be rather standard, or similar across the products of different producers. The type and amount of fibre contained, type and amount of fillers, type of finishing, the type and amount of coating, and, hence, e.g. the bulkiness (the inverse of the paper's apparent density) and stiffness and optical qualities, such as brightness, surface smoothness, print gloss, and opacity, were fairly similar. Moreover, the different producers produced and sold fairly similar grammage, or thickness versions of each product. To the extent that there were some differences in the exact quality or quality consistency of different suppliers' products, the customers could learn to trust the product of a certain producer and would not always be prepared to change suppliers very easily. The quality differences could manifest themselves for instance in terms of machine runnability of the paper or board on customers printing, cutting, creasing machines, packaging, or copying machines, and in terms of printability, i.e. level of paper or board appearance achieved on customers' printing presses. Nevertheless, in general, the product quality was highly standard and, additionally, technological development was decreasing the quality differences between different producers' products.

So, the Finnish P&P corporations were, in the early 1980s, producing mostly standard-quality commodity products. Moreover, the corporations were mostly producing commodity products that did not have a very high level of value added. The most important and widely-produced products were newsprint, SC, LWC, and uncoated fine paper, of which particularly newsprint and SC were products with rather low value added. Higher value added products, such as more heavily coated magazine papers, coated fine papers, or coated paperboards were produced to quite a small extent.

Since the products were standard commodity products and there were many producers selling them in the market areas, there were fairly competitive markets for them. The customers, particularly the foreign customers, were paying prices closely corresponding to international market prices, albeit that to the extent that better quality products could be offered, the prices obtained could be slightly higher. In any case, in the production of the standard commodity products, the Finnish corporations were focusing on cost-efficient exploitation and conversion methods of forest-based raw materials[52].

5.3 *Not* taken for granted in the early 1980s: Selling own products

When it comes to selling the products, a characteristic peculiar to the Finnish P&P corporations was that they jointly owned particular sales associations. The largest and most important sales association, Finnpap, maintained a network of sales offices around the globe, particularly concentrating on the main markets in Central and Western Europe, but also operating in e.g. the US and Japan[53]. The sales offices of Finnpap handled the selling of most of the paper products of the individual mills located in Finland, basically having salespeople engaged in personal selling work, receiving customer inquiries and orders for products of the individual mills running in Finland, sending orders to the mills in Finland, and invoicing the customers. The mills would

[51] Alajoutsijärvi, Kimmo (1996), *Rautainen pari. Kymmenen ja Valmetin suhde, lähiverkosto ja makrovoimat 1948–90*. Doctoral Thesis, University of Jyväskylä, Jyväskylä, Finland. p. 163.

[52] Rohweder 1993, p. 14;
Juslin, Heikki and Tuomas Tarkkanen (1987), *Marketing Strategies of the Finnish Forest Industries*. Seloste 143, Communicationes Instituti Forestalis Fenniae. Helsinki, Finland: The Finnish Forest Research Institute.

[53] Heikkinen, Sakari (2000). *Paperia maailmalle. Suomen paperitehtaitten yhdistys – Finnpap 1918-1996*. Helsinki, Finland: Otava. pp. 374–377.

produce the products and ship them to customers. When it comes to Finnish customers, the shipment would happen from the mills by land or via inland waterways transportation. But as approximately 90 percent of the production went to foreign customers[54], the mills mostly had the paper reels first transported via railroad or inland waterways to port warehouses, from where cooperative freighting houses, such as Transfennica[55], would take the products further via seaways towards customers, most of them located in Great Britain, West Germany, France, Belgium, the Netherlands, the Soviet Union, Denmark, and the US[56]. For paperboard, pulp, and converted paper and paperboard products, there were similar sales associations as for paper products. These were called Finnboard, Finncell, and Converta, respectively.

The sales associations sold the same product grades from several mills and divided the orders – or actually, to a large extent, the customer relationships, or long-time contracts to the customers, concerning certain product grades – between the mills. In dividing the customers and orders, quality differences in the same grade produced in different mills would not be paid much attention to[57]. Basically, individual products produced in individual mills belonging to the associations, or the quality differences of the products, were not much emphasized to customers in the selling work. On the other hand, direct interactions with customers, at least when it comes to anything that could be considered selling, were a rather exclusive responsibility and right of the sales associations, which would ensure that different mills would be equally treated in terms of selling and promotion. Direct contacts between individual mills and customers were largely discouraged and even guarded against by the sales associations, such as Finnpap and Finnboard. The sales associations' sales offices around the world and head offices in Finland kept, to large extent, all the market and customer contacts and knowledge to themselves. Mills did not receive all the information and feedback given by customers. Actually, they did not necessarily even know who all their customers were[58].

Nevertheless, while remaining members of the sales associations, at least of Finnpap, some P&P corporations had already by the early 1980s started to build their own networks of sales offices for some products. For instance, Enso had built its own sales network for selling some of its special products, such as for wood products, kraftliner, and kraftpaper, since the 1950s[59]. Enso also sold e.g. liquid packaging board, wood-pulp board, and coreboard through its own sales network[60]. Similarly, Kymi was a member of Finnpap in the early 1980s, but had its own sales and trading network at the same time. Kymi had laid the foundation for its own sales network especially since the late 1960s with the networks that took care of the sales of its English and German subsidiaries Star Paper and Nordland Papier, and later also the French subsidiary Papeteries Boucher, acquired in 1977[61]. In 1976, Kymi had started to build a sales network for its fine paper, as Finnpap did not have a proper distribution channel for sheet paper[62].

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[54]   Heikkinen 2000, pp. 364–368.

[55]   Heikkinen 2000, p. 330.

[56]   Ojala and Lamberg 2006, p. 110; Heikkinen 2000.

[57]   Kuuramaa, Anna-Maria (2004), "Jakeluun osallistuminen ja tuote-erikoistuminen paperiteollisuudessa. Uusien liiketoimintamallien soveltaminen ja niihin siirtymisen tavat". Pro Gradu Master's Thesis, Department of Management, Helsinki School of Economics, Helsinki, Finland. p. 21.
Ylänen, Timo (1990), "Markkinainformaation keruu ja hyödyntäminen Yhtyneet Paperitehtaat Oy:n eri liiketoiminnoissa". Pro Gradu Master's Thesis, Department of Marketing, Helsinki School of Economics and Business Administration, Helsinki, Finland. p. 116. Interviews (e.g. with Metsävirta 8.8.2005).

[58]   Heikkinen 2000, p. 430; Ylänen 1990, p. 103;
Interviews (e.g. with Metsävirta 8.8.2005).

[59]   Laiho, Sinikka (1998), *Vuosisata Suomen kartonkiteollisuuden sillanrakentajana. Suomen puuhiomoyhdistys 1893–1942, Suomen Kartonkiyhdistys–Finnboard 1943–1996*. Espoo, Finland: Metsä-Serla. p. 81.

[60]   Laiho 1998, p. 73.

[61]   Heikkinen 2000, p. 359; Ojala 2001.

[62]   Heikkinen 2000, p. 443; Ojala 2001.

5.4 *Not* taken for granted in the early 1980s: International expansion

In the early 1980s, the great majority of the production of the Finnish P&P corporations was sold to foreign customers in e.g. Great Britain, West Germany, France, Belgium, the Netherlands, the Soviet Union, Denmark, and the US. In this sense, the corporations were quite international. However, almost all the production of the corporations was located in Finland. The production had been set in Finland, as there were extensive forest resources in the country[63]. A major part of the country was covered by forests, albeit with slowly-growing tree species. Regionally, there might be scarcity of wood resources or forests of certain species, but the mills were practically located at sites where wood was available in their nearby areas. Actually, this resulted largely from the joint settlement of pulp and paper production capacity investments to certain locations, which the P&P corporations had traditionally more or less practiced[64].

Finland had particularly extensive resources of forests dominated by long-fibred conifer, or softwood. Accordingly, mechanical pulp made of long-fibre softwood, mainly spruce, was the main raw material for the most important products of the Finnish P&P corporations: newspaper and magazine papers, as well as some boards. Moreover, mechanical pulp could not very feasibly be dried for transportation like chemical pulp and it was thus reasonable to produce these paper and board products from pulp by "integrated production" at the same mill. Besides, as mechanical pulp would be largely tailored according to the specific product produced, it was practically not sold in the market like chemical pulp was.[65]

To the extent that there were short-fibre leafwood or hardwood forest resources in Finland, chemical pulp production had been built to use these resources – beyond the production of chemical pulp from long-fibre wood, which was also practiced to some extent. Actually, quite a large amount of short-fibre wood, mostly birch, was also imported from the Soviet Union, from areas near the eastern border of Finland. In the early 1980s, this import amounted to about 3-5 million cubic meters compared to the total industrial wood consumption of Finnish wood being about 40-45 million cubic meters[66]. Short-fibre chemical pulp would be needed in fine papers and boards to provide them even structure.

As implied, transporting chemical pulp, even to a distance, to a paper or board mill could be economically feasible. It could be sold in the market to different paper producers, as the Finnish P&P corporations did to a small extent. However, much of the chemical pulp the Finnish P&P corporations produced, also of that which they produced from short-fibre wood, was used by themselves in producing paper and board in Finland. This was advantageous: having their own chemical pulp mills in Finland to supply the paper and board mills made the sales and profitability of the corporations, in principle, less vulnerable to the heavy price fluctuations that were characteristic to the prices of market pulp . For the paper production, having this own pulp production meant that the corporations did not have to rely much on buying market pulp from abroad and their costs were not very dependent on the market prices of pulp. Moreover, at the market level, the paper and board producers had adjusted their prices, especially fine paper and board prices, closely following the prices of market pulp.[67] This could make the Finnish P&P corporations, when matching the prices of other producers and not utilizing much market pulp,

[63] Kuisma, Markku (1993), *Metsäteollisuuden maa: Suomi, metsät ja kansainvälinen järjestelmä 1600-1920*, Helsinki-Jyväskylä: SHS. Lamberg, Juha-Antti, Juha Näsi, Jari Ojala, and Pasi Sajasalo (eds.) (2006), *The Evolution of Competitive Strategies in Global Forestry Industries*. Dordrecht, The Netherlands: Springer.

[64] Kettunen, Jyrki (2002), *Kuuseen kurkottajat. Teknologian kehitys Metsäliiton piirissä 1950-luvulta vuosituhannen vaihteeseen*. Espoo, Finland: Metsäliitto-Yhtymä. pp. 11, 39.

[65] Anon. (e) (1999).

[66] Diesen 1998, pp. 33-34.

[67] Anon. (e) (1999).

rather unprofitable when the pulp prices and hence (fine) paper and board prices were low, and quite profitable when the prices were high. For the Finnish P&P corporations the costs of producing pulp of their own were quite stable, meaning that higher market prices of paper and board products were transferred quite directly to the bottom line[68].

Further, it was actually advantageous to have "integrated mills", i.e. having paper or board machines next to a chemical pulp mill. First, considering the paper or board production, the quality of the pulp would be consistent. But importantly, the pulp would not have to be dried at the pulp production and then again pulped at the paper or boardmaking, which would save particularly energy costs – without the drying step, chemical pulp production actually produced energy rather than consumed it and the residual energy could be used in paper production. Additionally, transportation costs in the integrated mill, where the pulp would be pumped directly to the paper or boardmaking process, would be eliminated.[69] So, the large Finnish P&P corporations often had integrated chemical pulp/paper-mills also for producing products of short-fibre wood – in Finland where there was, after all, some short-fibre wood resources such as birch available.

Nevertheless, some of the large corporations had also built paper mills in Central Europe, where they could largely use chemical pulp produced by their pulp mills in Finland and transported to Central Europe from there. For instance, of the predecessors of UPM-Kymmene, Kymi-Kymmene and Kaukas had a jointly-owned fine paper mill Nordland Papier in Nordland, West Germany since the end of 1960s[70]. In addition, Enso, Kymi, and Tampella had established Eurocan Pulp & Paper Co. in British Columbia in the late 1960s to use the vast Canadian wood resources and to produce sawn goods, pulp, kraftliner, and sack paper. In the 1980s, of the Finnish corporations, Enso remained a part owner of Eurocan, the others having sold their shares to a US-Canadian company.[71] Nordland Papier and Eurocan, as well as Kymi's above-mentioned Star Paper and Papeteries Boucher, were some of the very few exceptions to the rule that the production of the Finnish P&P corporations was, at the beginning of the 1980s, located in Finland.

5.5 *Not* taken for granted in the early 1980s: Environmental responsibility issues

Already since the 1960s, Finnish authorities had been somewhat active in demanding more environmental protection from the Finnish P&P corporations, particularly with respect to water protection of the mills. In 1961, a water law had been set up that had made emissions of individual mills of P&P corporations subject to licenses for waste water. In 1970, a special National Board of Waters (Vesihallitus, in Finnish) had been established, as well as regional Water Districts (Vesipiirit) under it, and the development and implementation of licensing policies had been started more seriously. Regional Water courts had been given the responsibility for setting up license conditions for the wastewaters of the mills and National Board of Waters and

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68   Iivonen, Jyrki (1999a), "Selluloosan hinta on lähtenyt voimakkaaseen nousuun", *Helsingin Sanomat*, 26.10.1999.

69   Diesen 1998, pp. 154–155;
      Poesche, Jürgen (1995), *Strategic choices in the fine paper industry*. Working Paper W-121, Helsinki School of Economics and Business Administration, Helsinki, Finland. p. 5.
      Paavilainen, Karri (1995), *The analysis and application of global strategy. A case study of Kymmene Corporation*. Pro Gradu Master's Thesis, Department of Marketing, Helsinki School of Economics and Business Administration, Helsinki, Finland. p. 72.

70   Ojala 2001; Ojala and Lamberg 2006;
      UPM-Kymmene Website, http://w3.upm-kymmene.com/upm/internet/cms/upmcms.nsf/$all/5b6cd9b7ca2c790ac2256d94003e785b?OpenDocument&qm=menu,7,6,0&smtitle=Germany (Accessed 24.2.2006).

71   Anon. (2004), "Eurocan Pulp & Paper Co. Ltd" [online]. Stora Enso. http://www.storaenso.com/CDAvgn/main/0,,1_-5622-12400-,00.html (Accessed 24.2.2006).
      Lamberg 2006.

Water Districts had been given an inspection and expert position concerning the decisions and the responsibility for overseeing the implementation of the license conditions.[72]

On the other hand, since the end of the 1960s, there had been discussion between environmental activists, researchers, authorities, media, local people living around the mills, and the general public about the acceptability of the fact that the industry, particularly the P&P industry – the largest industry in Finland – was damaging, even poisoning, the environment, particularly the waters of lakes, rivers, and sea. Environmental protection and water protection had been increasingly demanded and authorities had been pressured to regulate emissions of mills, especially of pulp mills[73]. For instance, discussion had emerged around issues concerning mercury. Researchers had found out that waters in lakes, rivers, and sea contained mercury, particularly the waters below P&P mills: the mills had been using phenylmercury to prevent slime build-up in waste water pipes[74]. It had also been well known that the chlorine industry had been slipping mercury with wastewaters and that the P&P mills needed chlorine. Moreover, Finnish television had presented a program in the spring of 1967, reporting the heightened mercury content of Finnish fish. The so-called "mercury war" had started from there and the matter had been discussed extensively. The industry had been critizised by local people living close to the mills and general public and even claims for damages had been talked about.[75] The acceptability of the environmentally damaging activities of the industry had been questioned and better protection of environment and water had been called for. In general, the growing discussion had contributed to the development and implementation of licensing policies of the mills' wastewaters being started more seriously.[76]

The P&P corporations had reacted to the growing discussion and tightening demands and license conditions of authorities by slowly investing in technology and ceasing to use certain chemicals such as mercury as a fungicide, and decreasing wastewater emissions[77]. Also air emissions, such as those of sulphur dioxide and reduced sulphur compounds, had been discussed and the demands tightened, as researchers and media had reported forest deaths in Central Europe, allegedly caused by acid rains following sulphur emissions[78]. The P&P corporations had invested in technology to decrease these emissions as well[79]. The demands to decrease sulphur emissions had even been one of the reasons, besides production efficiency reasons, behind the P&P corporations giving up on sulphite pulp mills and shifting to a whole different technology, sulphate pulp mills, especially from the 1970s onwards[80].

Nevertheless, the relationship between the managers of the P&P corporations and the regional and national authorities had been and was at the beginning of 1980s quite cooperative with regard to environmental protection. Generally, the tightening of demands was planned simultaneously with the plans to develop and introduce new technology, in cooperation with the industry managers and authorities. Also, license conditions for individual mills were set and different kinds of special permissions were given on various grounds, compensating e.g. for the age, products, and location of the mill, the population and employment situation of the locality (the mills were often very important local employers), the condition of the waters, as well as the

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[72] Konttinen, Esa (1994), *Päijänne puhtaaksi – reittivedet raikkaammiksi*. Publication no 57, Department of Sociology, University of Jyväskylä, Finland. pp.17, 94-96.

[73] Interviews (e.g. with Metsävirta 8.8.2005).

[74] Leino-Kaukiainen, Pirkko (1999), "Vesitöistä viemäreiksi: vesiensuojelu Suomessa 1945-1970", in *Harmaat aallot,* Simo Laakkonen, Sari Laurila and Marjatta Rahikainen, eds. Helsinki: Societas Historica Finlandiae. pp. 33-67.

[75] Leino-Kaukiainen 1999;
Interviews (e.g. with Metsävirta 8.8.2005).

[76] Interviews (e.g. with Metsävirta 8.8.2005).

[77] Konttinen 1994, pp. 17–18; Leino-Kaukiainen 1999, pp. 33–67;
Kuisma, Mika (2004), *Erilaistuminen vai samanlaistuminen? Vertaileva tutkimus paperiteollisuusyhtiöiden ympäristöjohtamisesta*. Doctoral Thesis, Helsinki School of Economics, Helsinki, Finland.

[78] Kuisma (Mika) 2004.

[79] Konttinen 1994, pp. 17-18.

[80] Kettunen 2002, p. 83.
Seppälä, Risto (ed.) (2000), *Suomen metsäklusteri tienhaarassa*. Helsinki: Metsäalan tutkimusohjelma Wood Wisdom.

reasonableness of possible investments to lower the emissions. It was particularly important not to set such strict license conditions that the economic viability of an existing mill would suffer due to the cost of the required investments, jeopardizing the tax income and employment situation of the local municipalities. Further, obedience to the licenses was not controlled much. There were particularly frequent individual one-off emissions, which could at a stroke make it quite meaningless whether a mill was possibly operating below daily emission limits for the other 364 days of the year. Also, the penalties for violations of the license conditions and the law were mild.[81]

In the early 1980s, the discussion was still continuing to grow, with environmental activists and local people arranging activities, demonstrations, and petitions due to certain environmental concerns. The demands by authorities and license conditions, as well as control of their implementation, continued to be tightened as well. Concerning water protection, this was happening, for instance, in relation to a new pulp mill that Metsä-Botnia and its majority owner Metsäliitto Cooperative was building in Äänekoski, Central Finland. Other individual P&P corporations involved, through ownership arrangements, were paper-producing corporations Metsäliiton Teollisuus, G.A. Serlachius Corp., and Nokia Corp. When announcing the project, Metsä-Botnia's managers commented that environmental emissions would be considerably decreased due to the new mill, to only about 20 percent of the total burden of the mills to be closed down.[82] But the corporation's statements about the emission levels were not enough for some local environmental activists, people, and authorities, living by the water system below Äänekoski leading to lake Päijänne. They had experienced fish deaths and the smell of the water for decades and did not believe that the emission levels would stay at the promised levels.[83] In the "Päijänne Puhtaaksi"-movement ("Clean Päijänne"), local environmental activists and people campaigned heavily with events and in regional and national media for tighter licence conditions and for certain technologies to be adopted by the mill. In early 1983, local activists even organized a petition and gathered about 140,000 names locally and nationally to support the requirement for more effective cleaning of the wastewaters of Äänekoski mills. The petition and the whole project was being widely discussed and covered by media, particularly between the summer of 1982 and the spring of 1984.[84] Eventually, the authorities set tighter license conditions than what Metsä-Botnia had initially proposed, in terms of e.g. emission levels and also in terms of the technologies to be used in the production process. Metsä-Botnia would choose a process that would save raw material, sort out by-products, and clean the waste waters about as well as was feasible with the technology that was available at the time[85]. The control of the implementation of the license conditions would be tighter as well[86].

In the early 1980s, there was also some discussion emerging about the environmental friendliness of forestry methods and some regulations were set. For instance, in the "Hattuvaara movement" in 1980, environmental activists and some local people tried to prevent the aerial spraying of a coppice area by The Finnish Forest and Park Service, a governmental organization which sold wood to P&P corporations. The activists placed themselves on the runway after some researchers had reported that the herbicides used were toxic and berries picked from coppice areas that had been sprayed could not be eaten. The particular spraying was conducted but later The Finnish Forest and Park Service stopped the sprayings.[87] Some P&P corporations continued

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[81]   Konttinen 1994, pp. 18, 94–96, 102.
[82]   Interviews (with Poranen 11.5.2005);
       Konttinen 1994, pp. 17-18.
[83]   Ibid.
[84]   Konttinen 1994, pp. 35-41.
[85]   Konttinen 1994, pp. 17–18.
[86]   Konttinen 1994, p. 102.
[87]   Roiko-Jokela, Heikki (2003), *Arvot ja edut ristiriidassa. Kiistoja valtion metsistä: Hattuvaara, Kessi, Murhijärvi, Talaskangas-Sopenmäki, Porkkasalo*, Finland: Minerva.
       Heikkinen, Reijo (2002), "Ympäristöliikkeiden vaiheita Suomessa" [online]. Kajaanin opettajankoulutusyksikkö, University of Oulu, Oulu, Finland. http://kajaaninkampus.oulu.fi/koky/kokl/lonnrot/rheikkin/yliikkee.htm (Accessed 20.8.2005).

aerial sprayings, which was again met by demonstrations against them by environmental activists, e.g. in 1985 in the Kainuu area where Kajaani Corp. was conducting sprayings. The corporation made no concessions, which was found somewhat unacceptable by the local people and the general public. Eventually, authorities set up regulations and laws restricting aerial sprayings.[88]

So, in the early 1980s, the P&P corporations were reacting to the growing discussion and tightening demands and license conditions of authorities by gradually investing in technology and ceasing to use certain chemicals to decrease waste water emissions. There were reactions also to some extent with regard to air emissions and forestry methods. Managers were even somewhat interested in communicating, particularly to local people, an image of their corporations as being concerned about environmental protection. For instance, concerning the above example, Metsä-Botnia's managers were actually right from the beginning prepared, as well as planning, to build a mill with much lower emissions than what they initially announced, but only announced higher emission levels – so that they could later have the image of being consentful to tighter demands of environment-protection when "agreeing" to the initially planned ones[89].

Also, the relationship between the managers of the P&P corporations and the regional and national authorities were in the early 1980s quite cooperative with regard to environmental protection. Managers were consenting to the tightening of license condition demands, but they were planned in good cooperation with the authorities, simultaneously with the planning of development and introduction of new technology by the corporations and their mills. Actually, some authorities were even aware of the above "announcement trick" by Metsä-Botnia[90]. And finally, even if managers were somewhat interested in the image of their corporations when it came to environmental protection, they were interested in it mostly in relation to local people living near the mills, and the general public – not in relation to e.g. customers. All in all, the environmental issues were *not*, in the early 1980s, any critical or acute concern to the P&P corporations or their managers – particularly not concerning doing business with customers.

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[88] Roiko-Jokela 2003;
 Halme, Minna (1997), *Environmental Management Paradigm Shifts in Business Enterprises: Organisational Learning Relating to Recycling and Forest Management Issues in Two Finnish Paper Companies*. Doctoral Thesis, University of Tampere, Tampere, Finland. p. 125.

[89] Kettunen 2002, p. 43.

[90] Kettunen 2002, p. 43.

6   New management interests (in corporate branding) amidst black-boxing of the taken-for-granted by the early 2000s

In this Chapter, I describe how different managers of the Finnish P&P corporations came to have – amidst the process of black-boxing of the five *taken-for-granted aspects* of shareholders, shareholder value, and share price; differentiation in the market; selling own products; international expansion; and environmental responsibility issues – interests which would later become management interests in corporate branding [mI's] and be served by, or translated to, management practices of corporate branding [mP's]. Basically, I describe the developments related to the aspects, or their black-boxing, as involving various specific management interests – some of which would later become management interests in corporate branding [mI's] –, as well as various concrete "mobilizations" made by the corporations, their managers, and other actors. This is illustrated in Figure 2 (Structure and logic of Part III, p. 81), as well as Figure 1 (Structure and logic of Parts III and IV, p. 18), with "Mobilizations" and "Interests" following each other inside the five grey horizontal block arrows originating from the grey boxes related to the aspects "Not (yet) taken for granted" in the early 1980s". As the description shows, managers came to have some of the interests which would later become management interests in corporate branding [mI's] earlier and some later but all *by the 2000s.*

I make the description in five sub-chapters 6.1–6.5, which correspond to the five aspects. However, there is an exception concerning "differentiation in market" and "selling own products". I found it difficult to describe the longer-term developments related to these two aspects in separate sub-chapters due to their wide interdependencies. This spoke for describing them in one chapter. On the other hand, describing them in one chapter would have made this chapter very long and additionally I found that the description could naturally be divided to two somewhat distinguishable developments, reflecting "differentiation of products" and its relationship to "selling own products", on the one hand, and later "selling own products" and its relationship to "differentiation beyond products" on the other. Thus, I eventually ended up dividing the description into sub-chapters (6.2, 6.3) according to these two developments. Nevertheless, as there remain interdependencies also with the present sub-chapters, I make cross-references across the sub-chapters to point out these interdependencies.

When it comes to the black-boxing and longer-term developments, I describe *all* the mobilizations of entities – be they mobilizations realized by the corporations or managers *or* some other mobilizations – under the subheadings "**Mobilizations**"[91]. The mobilizations refer to how different entities actually acted on each other and made each other act. On the other hand, I describe the interests managers came to have and the translations of management interests under subheadings "**Interests in**…". The interests refer to managers' visions of the world, involving visions of how certain entities (the corporation or some other entity) should be made to act ("managers became more interested in having x do y/doing v to w"), as well as definitions of certain related entities and how they would make each other act. Importantly, when describing the alternating "mobilizations" and

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[91]   See section 4.2.2 (Description in Part III, p. 67) and particularly "Objectives in analysis and in writing the description
 (p. 69) for more details on how the description was written on the basis of the analysis of the data. See also section "Use of ANT
   terms?" (p. 27) for discussion of the use of terms, such as "translation" and "interest"

"interests", I especially highlight particular interests that managers came to have towards and by the early 2000s. These particular interests of different managers were among the interests that would later become management interests in corporate branding [mI's] and be served by, or translated to, certain management practices of corporate branding [mP's] in the Finnish P&P corporations – the translations to be described in Part IV. In Figure 2 and Figure 1, these interests are illustrated by the thin vertical arrows that raise certain highlighted interests up from the grey horizontal arrows to a set of "Management interests (in corporate branding) [mI's]" (by the 2000s). In the description of this Chapter 6, it is the following 14 management interests of corporate branding [mI's] that are identified and highlighted:

> **Chapter 6.1 Shareholders, shareholder value, share price**
>> [mI#1]   Increasing investor awareness of the corporation as a paper and board company
>> [mI#2]   Communicating a clear and focused portfolio of core products and businesses to investors and analysts
>> [mI#3]   Emphasizing the corporation's brands to investors and analysts
>> [mI#4]   Signalling renewal to analysts and investors

> **Chapter 6.2. Differentiation of products and Selling own products**
>> [mI#5]   Developing and maintaining strong product brands and brand families

> **Chapter 6.3 Selling own products and Differentiation beyond products**
>> [mI#6]   Emphasizing to customers the corporation's offering of a wide product range rather than that of individual products
>> [mI#7]   Emphasizing to customers the corporation's offering of large volume supply reliability rather than that of products
>> [mI#8]   Increasing (direct) customer awareness of the corporation as a paper and board supplier
>> [mI#9]   Emphasizing to customers the corporation's offering of services rather than that of products
>> [mI#10]   Having employees adopt a way of working with initiative and a proactive customer-helping attitude
>> [mI#11]   Emphasizing to customers the corporation's offering of solution help rather than that of products

> **Chapter 6.4 International expansion**
>> [mI#8]   Increasing (direct) customer awareness of the corporation as a paper and board supplier (*continued*)
>> [mI#12]   Increasing potential employee awareness of the corporation

> **Chapter 6.5 Environmental responsibility issues**
>> [mI#13]   Communicating an image of the corporation's behaviour as environmentally and socially responsible
>> [mI#14]   Having employees adopt a way of working with an environmentally and socially responsible attitude

Note that when eventually arriving, amidst the written description, at describing managers coming to have a certain interest which would later become management interest in corporate branding [mI] and be translated to certain management practices of corporate branding [mP's], I highlight and make the description of this particular interest stand out from the rest of the description with distinct typeface, or font. Then I later use the same typeface in Part IV when describing the management practices of corporate branding [mP's] and the translation of management interests in corporate branding to them [mI's→mP's]. The following illustrates the different typefaces used:

Mobilizations. {O acted}... {O had effect M}...

Interests in {having x1 do y1/doing v1 to w1}. Recognizing {M}, CEOs/ Directors/ marketing managers/ human resources managers/ financial managers/ sales managers/ line managers/ etc. became more interested in {having x1 do y1/doing v1 to w1}…

Moreover, {having x1 do y1/doing v1 to w1} would be a translation of {having e do f/doing g to h} and {having i do j /doing k to l}…

Mobilizations. The management interests in {having x1 do y1/doing v1 to w1} were strong, as {P and R were done (by the corporations/managers}

{P and R had effect **B**}…

Interests in {having x2 do y2/doing v2 to w2}. The CEOs/ Directors/ marketing managers/ human resources managers/ financial managers/ sales managers/ line managers/ etc. became more interested in {having x2 do y2/doing v2 to w2}. {Having x2 do y2/doing v2 to w2} would be one translation of {having x1 do y1/doing v1 to w1}…

Moreover, {having x2 do y2/doing v2 to w2} would be a translation of…

[management interest (in corporate branding) mI#n]
{Having x3 do y3/doing v3 to w3}

Interests in {having x3 do y3/doing v3 to w3}. Marketing/ human resource/ financial/ top/ sales/… managers became more interested in {having x3 do y3/doing v3 to w3}… {Having x3 do y3/doing v3 to w3} would be a translation of {having x2 do y2/doing v2 to w2}…

Mobilizations. The management interests in {having x3 do y3/doing v3 to w3} were strong, as the corporations {did Q}…

The sections of the above kind (**[management interest (in corporate branding) mI#n]**), highlighting and describing those interests of different managers which would later become management interests in corporate branding [mI's] and be translated to certain management practices of corporate branding [mP's], are scattered along the sub-chapters 6.1–6.5. As implied above, in the sections, I also describe some (example) "mobilizations" by the corporations (other than actual management practices of corporate branding [mP's] to be described in Part IV) made with these management interests (in corporate branding) being strong.

When describing "interests" of different managers in this Chapter, my focus is on describing managers coming to have them more strongly after the recognition of certain mobilizations related to the aspects of longer-term developments and their effects and as further translations of these interests. This does not mean claiming that the interests would not have existed at all without or before the new mobilizations or been translations of any other interests than those described. To remind the reader of this, I use, in the description, expressions such as "recognizing {effect of mobilization M}, …managers became *more/more strongly* interested in {having x1 do y1/doing v1 to w1}" and "{having x2 do y2/doing v2 to w2} would be *a/one* translation of {having x1 do y1/doing v1 to w1}". In addition, I often describe some other interests, which were not directly related to the ones managers came to have after recognizing mobilizations related to the aspects of longer-term developments and their effects or as their further translations. There, I use expressions such as: "*Moreover*, {having x1 do y1/doing v1 to w1} would be *also a translation of* {having e do f/doing g to h [N]} and {having i do j /doing k to l [O]}". This also serves to remind the reader that even if it would be the mobilizations related to the aspects of longer-term developments after which certain interests became stronger, the interests could also be made stronger by other mobilizations or be strong as translations of other interests, e.g. of [N] and [O].

On the other hand, particularly when describing the "mobilizations" of entities *realized by certain corporations or managers*, I am not able to exclusively describe all the interests behind them – or suggest that they were instances or component entities of only those management practices I describe some managers to have become interested in. To remind the reader of this I use expressions such as: "The management interests in {having x1 do y1/doing v1 to w1} were strong, as {P and R were done (by the corporations/managers)}". In other words, I would remind the reader that it could be possible that "P" and "R" were mobilized also with other interests than "having x1 do y1/doing v1 to w1", or that "P" and "R" could involve component entities or instances of also some other management practices in which the management might be interested than of "having x1 do y1/doing v1 to w1".

Furthermore, to understand the sub-heading structure *above* the sub-heading level of "Mobilizations" and "Interests to…", recall that one of my objectives in the research was to identify "preconditions" for corporate branding in the Finnish P&P corporations. The preconditions would be (1) various intermediate outcomes related to the aspects of longer-term developments or, particularly, (2) management interests further behind the "immediate" management interests in corporate branding. Now, whereas in the Description of this Part III, the latter are reflected in the sub-headings "Interests in...", the former I chose to have reflected in the sub-headings at the level above the sub-heading level of "Mobilizations" and "Interests in…". In other words, of the preconditions for corporations – summarized in section 13.1 in Part V –, those intermediate outcomes of the longer-term developments which are *not* management interests behind the "immediate" management interests in corporate branding, are reflected in the sub-headings of Part III at the level above the sub-heading level of "Mobilizations" and "Interests to…". With regard to the above example, this kind of sub-heading could refer to, for instance, "**B**". On the other hand, note that when it comes to those intermediate outcomes of the longer-term developments which are management interests behind the "immediate" management interests in corporate branding (2), I could consider e.g. "having x2 do y2/doing v2 to w2" of the above example as a precondition for corporate branding. Management interests of this kind are also listed among the preconditions for corporate branding summarized in section 13.1 in Part V.

Finally, along the Description of this Chapter 6, I illustrate and provide "evidence" of the mobilizations and interests by citing different managers interviewed from different corporations, both executives and other managers.

6.1   Shareholders, shareholder value, share price

6.1.1 Restrictions to foreign credit capital removed – Dependence on domestic banks on capital decreasing

Mobilizations. Since the early 1980s, many deregulations of the Finnish financial market were realized. Many of the deregulations made the funding of banks easier and increased the supply of money. In 1980, forward exchange dealing was transferred from the Bank of Finland to commercial banks, which increased the liquidity of the financial market, as the banks started to cover deals made with companies by importing capital. In 1982, banks were allowed to issue their own certificates of deposit. And most significantly, a change made in 1986–1987 enabled banks and companies to take long-term foreign loans.[92]

On the other hand, deregulations also increased competition between banks in Finland and removed cartels maintained by them. In 1982, competition somewhat increased, as the first foreign banks were allowed to begin operations in Finland. In 1983–1987, the competition, particularly for crediting households and small and medium-sized companies not belonging strongly to certain bank spheres, increased considerably, as regulation of loan interest rates was removed. And at latest in 1986–1987, the competition really took off, also for credits of the largest companies, as restrictions on long-term foreign loans were removed. Namely, not only banks but also other companies were allowed to take long-term loans abroad. So, since the mid 1980s, banks were increasingly active in selling loans and competing with the price of credit, or interest rates. Actually, the CEOs of the Finnish banks, particularly KOP's Lassila and SYP's Tiivola – who were, at the same time, Directors of many of the P&P corporations and influential power persons of KOP's and SYP's spheres (see p. 83) – also had more and more personal rivalry as the competition between their banks increased.[93]

Note that the deregulation that allowed the companies to take long-term currency loans also enabled P&P corporations to take long-term loans from abroad. The corporations could shift their loans and money transactions to foreign banks and there was a possibility that the Finnish banks would start to lose these important customers. The dependence of these corporations and their managers on the banks would decrease and the power the banks had on the corporations would diminish. Particularly, the power KOP had over the P&P corporations in its sphere, such as UPM and Rauma-Repola, and SYP had on those in its sphere, such as Kymi and Kaukas, would diminish. Actually, this would mean that bank power spheres would somewhat dissolve.

Interests in buying loans from foreign banks since the mid 1980s. Recognizing the new opportunities of buying loans from foreign banks in Finland and abroad, the CEOs and financial managers of the Finnish P&P corporations were increasingly interested in forming relationships also with foreign banks and buying loans from them[94].

Mobilizations. Nevertheless, the Finnish banks offered the P&P corporations loans with increasingly favourable terms, financed with the inexpensive funding which the banks could

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[92]   Kuisma (Markku) 2004, 370–374.
[93]   Kuusterä, Antti (1995). *Aate ja Raha*. Helsinki, Finland: Otava.
    Kulha, Keijo (2000). *Kuilun partaalla. Suomen pankkikriisi 1991-1995*. Helsinki, Finland: Otava, p. 22.
    Tainio and Lilja 2003.
[94]   Kuisma (Markku) 2004, p. 504;
    Interviews (e.g. with Anttila 8.11.2005)

obtain from the international markets with their fairly high own debt ratings[95]. They let the high indebtedness of the corporations raise the interest rate demands less than most foreign creditors. They committed to crediting the corporations this way also in recessions, from which the corporations more or less regularly severely suffered, operating in a very cyclical industry – even at the cost of the banks' own profitability[96]. Also, they offered new financial instruments and banking information technology to the corporations[97].

  Moreover, the banks offered financing for the foreign investments the corporations made abroad, through the foreign subsidiaries they had been allowed to establish in the year 1984 deregulation[98]. These subsidiaries arranged financing e.g. for the P&P corporations' foreign direct investments – like KOP's subsidiary in London, opened in 1984, for UPM's large investment in building a paper mill in Shotton, UK[99]. Actually, the Finnish banks could, with their foreign subsidiaries, also finance some high-risk investments of some of the most important customers of the P&P corporations, such as those of Rupert Murdoch's and Robert Maxwell's media empires[100].

  The Finnish banks also held their significant ownership in the P&P corporations – particularly KOP and SYP in e.g. UPM and Kymi – directly and through other corporations in the spheres. To some extent, this justified the positions of the bank managers in the Boards of the P&P corporations. On the other hand, the banks let top managers of the P&P corporations keep their positions in the Boards of the banks. And the managers of the banks put effort into sharing information, having friendships, and making reciprocal favours towards the top managers of the P&P corporations. The favours could even concern their personal loans, granted by the banks with highly favourable terms[101].

Interests in having the corporation stay as a customer to and keep a major share of their loans in Finnish banks in the 1980s. Recognizing the favourable offerings of the Finnish banks, the CEOs and financial managers of the P&P corporations remained interested in having the corporations stay as customers to the banks and keep a major share of their loans with them. The managers would still let the Finnish banks and their top managers exert considerable power on the P&P corporations. On the other hand, the top managers of the banks – who were still Directors of some of the P&P corporations and influential power persons in their spheres – were also interested in having the corporations keep major share of loans in their own banks.

6.1.2 Mergers of individual P&P corporations within the capital spheres – Corporations becoming large

Mobilizations. In 1984, KOP and its CEO Jaakko Lassila arranged a surprising share issue. SYP's CEO, Mika Tiivola, felt that Lassila had violated a gentlemen's agreement that the banks had had about arranging share issues by turns. The 1984 share issue was the second in a row for KOP[102]. Personal malice, suspicion, and rivalry between Tiivola and Lassila increased. This added to the personal rivalry stemming from the increased competition of the banks. Further, in 1985, SYP and Tiivola took over a smaller commercial bank, Helsingin Osakepankki (HOP), which

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[95] Vihola, Teppo (2000), *Rahan ohjaaja. Yhdyspankki ja Merita 1950–2000*. Helsinki, Finland: Merita Pankki. p. 293.
      Kuisma (Markku) 2004, p. 485;
      Interviews (e.g. with Anttila 8.11.2005).
[96] Kuisma (Markku) 2004, p. 504.
[97] Kuisma (Markku) 2004, p. 593.
[98] Kuisma (Markku) 2004, pp. 343–349, 352.
[99] Kuisma (Markku) 2004, p. 331.
[100] Kuisma (Markku) 2004, pp. 352–353, 356, 479.
[101] Kuisma (Markku) 2004, p. 341.
[102] Kuisma (Markku) 2004, pp. 323, 339.

resulted in a drift of KOP and SYP's common credit institution, Suomen Teollisuuspankki, to SYP's sphere against Lassila's will[103]. Personal malice, suspicion, and rivalry between Tiivola and Lassila further increased. Also in 1985, SYP and SKOP, the commercial bank of the largest retail bank chain in Finland, established an exchange for option dealers, Suomen Optiomeklarit, and left KOP outside the project. Lassila interpreted this as chicanery and personal malice, suspicion, and rivalry between Tiivola and Lassila increased again[104]. This setting was something new, since the earlier CEOs of KOP and SYP had had warm personal relationships.

Mobilizations. In the early 1980s, paper machines built by producers in North America and Central and Western Europe were increasingly wide, high-speed, and cost-efficient, bringing production unit costs down. The investment cost per ton of a large unit, such as a pulp line or paper machine, would be lower than for a similar unit of small or medium size. Manufacturing costs per ton of output would often also be lower for a large unit: e.g. wages and salaries might be numerically on the same level regardless of the size of a new line because the number of personnel was approximately the same but, due to larger output, the costs per ton were lower for the large unit.[105] Generally, paper and board producers around the world would pass their lower costs on to the customers. Lowest cost producers would often be the leaders of the market prices of the standard products and, especially, during recessions when prices usually decreased, the bottom would often be equal to the cash costs (variable manufacturing costs + transportation costs) of the lowers cost producers[106]. Since the Finnish P&P corporations were producing the same standard products and selling them for the same market prices, their cash flows would be weaker to the extent that they had machines that were not cost-competitive. New machines being built, there could also be overcapacity in the standard products, their excessive supply to the markets, and increased international competition, further decreasing the market prices[107].

Furthermore, the oil crises in the late 1970s and early 1980s increased transportation costs from Finland to the customers in e.g. Central Europe. Labour and wood costs also increased in Finland[108]. In addition, American and Western European P&P corporations, as well as Swedish ones, had started to grow through mergers and acquisitions, gaining synergy benefits and further weakening the cost-competitiveness of the Finnish P&P corporations. A well-known and trusted Finnish P&P industry consultant, Jaakko Pöyry Corp., even declared that a turnover of one billion dollars was a necessary condition for the viability of a P&P corporation – few of the Finnish corporations were above this. Moreover, the corporations had large debts, having attempted to stay with the trend of making ever larger investments in ever larger machines. The interest costs were substantial due to the high general interest level, further making the cost burden on the corporations heavier. And the situation was not made any easier by the fact that the costs were incurred mostly in Finnish mark but revenues came in foreign currency due to the heavy reliance on exports. Namely, the values of the currencies in which customers were invoiced were, in the mid-1980s, at a low level relative to the Finnish mark, resulting, again, in further cost disadvantage. This was particularly since the Finnish government seemed unwilling to devaluate the mark any more, even if they traditionally had tended to do this to improve the competitiveness of the Finnish P&P corporations. By the mid-1980s, all this detracted from the

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[103] Kuisma (Markku) 2004, pp. 339, 367–368.
       Moilanen, Panu (1996), "Kämpin peilisalista Savoyn juhlakerrokseen" [online]. University of Jyväskylä, Jyväskylä, Finland. http://www.cc.jyu.fi/~pjmoilan/kop.html (Accessed 10.10.2005).
[104] Vihola 2000, p. 296.
[105] Diesen 1998, p. 142.
[106] Diesen 1998, pp. 133–135.
[107] Rohweder 1993, p. 15.
[108] Interviews (e.g. with Rehn 23.8.2005).

cost-competitiveness of the Finnish P&P corporations, since they would have to still sell the products for prices set by lower-cost producers. The cash flows would be weak.[109]

Interests in planning and realizing mergers of P&P corporations within the spheres in the late 1980s. Recognizing the problems related to cost-competitiveness, investments, and cash flows, the top managers of individual P&P corporations, and the power persons of the spheres became more interested in planning and realizing mergers of the P&P corporations, particularly within the spheres, which were basically four in number (see p. 84).

> **Rauma-Repola Deputy CEO, Pekka Rantala, to KOP CEO, Jaakko Lassila,** *in 1984*[110]:
> The forest industry operations of these corporations [UPM, Rauma-Repola, and Kajaani] must be contemplated as one whole…

> **Enso CEO, Pentti Salmi,** *in 1987*[111]:
> A final solution with four companies would be quite good – and likely.

Particularly for the power persons of the bank spheres, the mergers would be a translation of backing up the corporations doing worse and ensuring the pay-back of their credits to the banks, as the corporations could have such a heavy cost structure that their operating margin and cash flow were hardly positive enough to afford them to pay, on their own, the interests and principals back to the banks. On the other hand, the mergers would be a translation of enabling the P&P corporations, even healthier ones, to make larger investments as their size would grow.[112]

Moreover, the mergers would be a translation of having more reasonable investments made, as there would be fewer corporations making investment decisions that would potentially create overcapacity. They would also be a translation of gaining synergies by vertical integration, as sawmilling and pulp production, on which some corporations concentrated solely or more than others, would be integrated to the paper production of the other corporations. The saw milling would provide wood chips and pulp production pulp for the paper production. As pulp production would be integrated to and serve the paper production, the mergers would be a translation of decreasing vulnerability to fluctuations in pulp prices, too. Further, they would be a translation of gaining synergies through production specialization, as each paper and board machine of a merged corporation would specialize in the production of certain product grade, enabling longer production runs and lower costs. And they would be a translation of gaining synergies from common wood procurement, as wood cost could be lowered.[113]

Beyond the problems related to cost-competitiveness, investments and cash flows, the mergers would be a translation of better fighting business cycles and fluctuations in paper prices, as the merged corporations would produce larger ranges of products, with somewhat differing price developments. The mergers would also be a translation of better enabling the corporations to set up their own international sales network and leave the sales associations or prepare for their dismantling, as the merged corporations would have wider product ranges and larger production capacity (see section 6.3.1).[114] And, for the managers of the corporations in the agri-capital sphere and their power persons, the mergers would be a translation of capturing the wood procurement of as many corporations as possible and enabling the forest-growers owning the corporations to sell their wood for as good a price as possible.[115]

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[109]   Näsi, Ranta, and Sajasalo 1998.

[110]   Kuisma refers to Perkka Rantala's note (10.6.1986) to Jaakko Lassila, Lassila's, Kuisma (Markku) 2004, pp. 362-363.

[111]   Helsingin Sanomat, 27.1.1987.

[112]   Näsi, Ranta, and Sajasalo 1998; Kuisma (Markku) 2004, p. 357.

[113]   Näsi, Ranta, and Sajasalo 1998; Kuisma (Markku) 2004, p. 357.

[114]   Näsi, Ranta and Sajasalo 1998; Kuisma (Markku) 2004, pp. 362–363.

[115]   Näsi and Sajasalo 2006.

Finally, again particularly for the power persons of the bank spheres, the planning and realizing of mergers, especially within the spheres, would be a translation of the interest in having the corporations stay as customers to the banks and in not losing them to banks of other spheres[116]. But also, the mergers would be a translation of the sphere power persons' interest in winning a competition for which person and from which sphere would get to decide how the strategic restructuring and mergers of Finnish P&P corporations would happen and would be able to create the biggest P&P corporation as the flagship of the sphere. And this was an interest not only for the power persons of the bank spheres but also for those of other spheres.[117]

Interests in making ownership arrangements of Finnish corporations in the late 1980s. In the 1980s, the power persons of the spheres were also interested in making ownership arrangements with the shares of Finnish large corporations in general – not only when it came to the P&P corporations and merging them. This would be one translation of the sphere power persons' interest in winning a competition for which person and from which sphere would get to decide how the strategic restructuring and mergers of large Finnish corporations, in general, including even the large banks, would happen. It would also be a translation of their interest in obtaining or retaining personal power, or fighting against the fear of losing it.[118] These were interests of all the spheres and their power persons but particularly of those of the commercial banks, KOP and SYP, whose CEOs had the increased mutual personal malice, suspicion, and rivalry. Besides, particularly for them, making ownership arrangements with the shares of Finnish large corporations was also a translation of retaining large customers to their banks and not losing them to banks of other spheres[119].

Moreover, making ownership arrangements with the shares of Finnish large corporations would be a translation of pursuing quick capital gains in the ever more liquid Finnish stock market by exploiting the fear of losing power which the acquisition of a significant share, or corner, of a corporation of another sphere would cause in the actors of that sphere. This would be an interest for not only the power persons of the spheres but also for various stock speculators.

Finally, when it comes to KOP's CEO Lassila and SYP's CEO Tiivola, who felt personal malice, suspicion, and rivalry towards each other, the ownership arrangements with the shares of Finnish large corporations were actually also a translation of winning a competition for which of the two would be the most powerful person in Finnish business life[120]. On the other hand, in the State's sphere, the ownership arrangements would often be a translation of advancing certain region-political interests of party politicians. With the State ownership in certain corporations, politicians could better ensure e.g. that these corporations would continue to create labour demand in certain regions of the country.

Mobilizations. The interests in planning and realizing mergers of the P&P corporations, particularly within the spheres, and in making ownership arrangements of Finnish corporations were strong, as many merger and ownership arrangement plans were made and realized in the 1980s. Particularly the power persons of the spheres, including e.g. Jaakko Lassila of KOP's sphere and Mika Tiivola and Casimir Ehrnrooth of SYP's sphere; CEOs of Enso and various politicians in the State's sphere; and managers of Metsäliitto Cooperative and various center-party politicians in the agri-capital sphere started to force mergers of the P&P corporations belonging to their spheres – more or less with the consent of the CEOs and other managers of the corporations themselves. Also, various ownership arrangements with the shares of the P&P

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[116] Kuisma (Markku) 2004, p. 413.

[117] Näsi, Ranta, and Sajasalo 1998; Kuisma (Markku) 2004; Näsi and Sajasalo 2006.

[118] Kuisma (Markku) 2004, pp. 406–407; Näsi, Ranta, and Sajasalo 1998; Näsi and Sajasalo 2006.

[119] Kuisma (Markku) 2004, p. 413.

[120] Vihola 2000, p. 295.

corporations and other Finnish large corporations were advanced by them, as well as by some speculative investors. The speculators, such as Hannes Kulvik, Pentti Kouri, Peter Fryckman, Taito Tuunanen, and Henrik Kuningas, were after quick capital gains from share operations and brokerage and were also needed as dummies in the banks' share operations, as regulations restricted banks' ownership in corporations to 10 percent[121].

     In 1984, there were already plans in KOP to merge the three large P&P corporations of the sphere, UPM, Rauma-Repola, and Kajaani, during the following years[122]. But there was also a more determined attempt at mergers in KOP's sphere in 1984, when KOP and Lassila tried to merge Kajaani with two other corporations in which KOP had significant credit risks, Oulu Corp. and Kemi Corp., into a corporation called "Pohjolan Paperi" ("Nordic Paper") in 1984-1985. However, the attempt was not successful, largely due to resistance of the social democrat politicians of the State's sphere – the regional-political interests were particularly strong here. The politicians were opposed to the merger, since Oulu and Kemi also belonged partly to the State's sphere, through state-owned Veitsiluoto owning half of Oulu and the State directly owning half of Kemi. Kemi even belonged partly to the agri-capital sphere, Metsäliitto owning almost half of it.

     Soon after the rivalry-increasing HOP case (see p. 101), in December 1985, SYP's sphere, led by Mika Tiivola and Ehrnrooths, merged Kymi – which had been merged with the mechanical and electrical engineering corporation Strömberg in 1983 – with Kaukas, whose CEO Casimir Ehrnrooth was[123]. SYP also succeeded in merging to the same corporation a family-owned corporation, Schauman, which was less tightly part of its sphere but had Gay Ehrnrooth, brother of Casimir, as its CEO[124]. Namely, in December 1985, soon after the decision on the Kymi-Strömberg–Kaukas merger, Kaukas acquired up to 45 percent of Schauman, knowing that KOP's sphere was also planning to make a competing acquisition offer.[125] Later in 1987, Schauman was definitively merged to Kymmene, which had been formed of Kymi-Strömberg-Kaukas's forest industry operations after the divestment of Strömberg in 1986[126].

     Following the merger of Kymi and Kaukas in SYP's sphere, the other spheres made competing countermoves around the earlier unsuccessful plan to form "Pohjolan Paperi". At the beginning of 1986, the State's sphere merged Veitsiluoto and Oulu in its sphere by having Veitsiluoto acquire the other half of Oulu from Kajaani. Kemi, on the other hand, ended up partly to the agri-capital sphere and partly to KOP's sphere, as the State sold its half of Kemi partly to Metsäliitto and partly to Kajaani, KOP, and other corporations in KOP's sphere.[127] At the same time with this, there was a merger in the State's sphere, too: Enso acquired Tervakoski from the Bank of Finland. The interest in leaving the sales association Finnpap was particularly strong as the merger was realized. Growing in size and becoming clearly the largest Finnish P&P corporation, Enso announced that it would leave the sales association Finnpap and transfer its newsprint sales, which had been handled by Finnpap, to its own sales network, which it had been developing for a few decades for some of its products (see section 6.3.4). In Finnpap and among the other corporations, it was felt that the dismantling of the sales association had now started.[128]

     Soon after this, the agri-capital sphere acted further. In the spring of 1986, a merger of Metsäliiton Teollisuus with a family-owned corporation, Serlachius, was announced. Metsä-Serla would be formed in a combination merger. This somewhat surprised the other spheres,

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[121] Kuisma (Markku) 2004, pp. 411, 422-424.

[122] Kuisma (Markku) 2004, pp. 361–366.

[123] Näsi, Ranta, and Sajasalo 1998, pp. 20–26, 30–33.

[124] Ojala and Pajunen 2006.

[125] Näsi, Ranta, and Sajasalo 1998, pp. 20–29, 30–33;

[126] Näsi, Ranta, and Sajasalo 1998, pp. 51–54; 72–74.

[127] Näsi, Ranta, and Sajasalo 1998, pp. 15–22, 30–34, 35–41; Kuisma (Markku) 2004, pp. 358–361.

[128] Näsi, Ranta, and Sajasalo 1998, pp. 42-45; Heikkinen 2000, pp. 418-426.

particularly that of SYP's, as Serlachius had been close to it.[129] After the merger of Metsäliiton Teollisuus and Serlachius was announced, KOP's Lassila started, in turn, to plan the merger of UPM, Rauma-Repola, and Kajaani again. The merger would, however, not be realized yet, largely since UPM's CEO Niilo Hakkarainen was reluctant to take responsibility for Rauma-Repola's weak profitability and large debt. Nevertheless, the plan was not buried for good[130]. Besides, Lassila could make progress elsewhere. Namely, Serlachius, which still before the realization of the merger with Metsäliiton Teollisuus, at the end of 1986, sold a minority share of another family-owned corporation, W. Rosenlew, to Lassila's KOP, which transferred the shares to Rauma-Repola. After this, the prominent families owning the majority, von Frenckells and Rosenlews, agreed to sell the majority of the corporation to Rauma-Repola[131].

Still at the turn of 1986 and 1987, Enso acted further by acquiring the paper, board and pulp mills, sawmills, and energy production plants of the family-owned A. Ahlström Corp. in Varkaus and selling its mechanical engineering business and packaging plant to this corporation[132]. The sales of the mills were shifted away from the sales associations and to Enso's own sales organization, as had happened with Tervakoski.

In 1987, yet another development aggravated the breach between KOP and SYP, or Lassila and Tiivola, adding to the ill feeling created earlier by KOP's share issues, SYP's takeover of HOP, and the establishment of the exchange for option dealers. This development related to the struggle for the ownership of venture companies, Sponsor and Spontel, initially jointly owned by the Bank of Finland and the banks mentioned[133]. Besides the banks, Sponsor's CEO Hannes Kulvik was involved in the struggle as a speculator. The rivalry between KOP's and SYP's spheres was also heating up, as they engaged in complex cornering operations of each others' stock, as well as of the stock of the important corporations of each others' spheres. Particularly with the contribution of Kulvik, SYP engaged in the cornering of KOP and, with other speculators and SKOP, in the cornering of other important companies in KOP's sphere, such as the insurance company Pohjola and the P&P corporations Rauma-Repola, UPM, and Kajaani. This frightened KOP and Lassila, who engaged in the cornering of SYP, with the help of e.g. Pentti Kouri, Hannes Kulvik, and Peter Fryckman.[134]

Actually, there started to be some splintering also *within* the spheres. In the autumn of 1988, it became clear to KOP and Lassila that there had been discussions about forming a new corporation of the mechanical engineering business of Rauma-Repola and of Tampella, as well as of some other corporations, such as Valmet, Ahlström, and Wärtsilä. The discussions would have been led e.g. by SKOP, which had cornered Rauma-Repola and owned a significant share of Tampella – and possibly SYP, which had also come to own a significant share of Rauma-Repola. Even Pohjola, KOP's traditionally closest ally would have participated in the discussions, behind KOP's back.[135] KOP had to secure its position in both its important customer company Rauma-Repola and its necessary ally in the restructuring process, i.e. Pohjola.

In autumn 1988, the rivalry between KOP's and SYP's spheres affected the State's sphere more directly as well. Jukka Härmälä, who was the managing director of KOP's investment bank and one of the main persons responsible for planning and realizing KOP's actions, was offered the position of CEO at Enso. Härmälä accepted the offer and was appointed CEO as of the beginning of September, releasing Pentti Salmi to concentrate on the chairman position of Enso's Board.[136] Härmälä, who had detailed knowledge of the major rivalry between KOP and

[129]   Kuisma (Markku) 2004, pp. 359–360; Näsi, Ranta, and Sajasalo, pp. 45–51; Näsi and Sajasalo 2006.

[130]   Kuisma (Markku) 2004, p. 363.

[131]   Näsi, Ranta and Sajasalo 1998, pp. 69–71.

[132]   Näsi, Ranta, and Sajasalo 1998, pp. 65–68; Lamberg 2006.

[133]   Vihola 2000, pp. 297–300.

[134]   Kuisma (Markku) 2004, pp. 408-422.

[135]   Kuisma (Markku) 2004, pp. 412-414.

[136]   Ahvenainen 1992, p. 612; Kuisma (Markku) 2004, p. 431; Lamberg 2006.

SYP spheres, as well as of KOP's plans to merge UPM, Rauma-Repola, and Kajaani, further convinced Salmi and the key politicians governing the company about the necessity of further mergers in the State's sphere. Veitsiluoto should be merged with Enso. The politicians should also approve of reducing the State's ownership in Enso[137], so that the corporation could use similar share operations as the corporations of the bank spheres.

On the other hand, in early 1989 KOP could see its position becoming slightly more secure due to its cornering of SYP, as well its cornering the insurance company Sampo of SYP's sphere[138]. Also, it could see its position as more secure due to the retirement of the personal adversary of Lassila, Mika Tiivola from the position of SYP's CEO at the beginning of 1989. KOP could temporarily concentrate on putting effort into securing the position of Rauma-Repola and advancing the realization of the plan to merge the P&P corporations of its sphere. Concerned about the increasingly large corners SKOP and the dummies of SYP's sphere had particularly in Kajaani, the CEOs of KOP and Pohjola, Lassila and Pentti Talonen, decided to quickly realize the merger of Kajaani to UPM in February 1989. The CEOs of UPM and Kajaani were somewhat pressured to consent.[139]

Following the merger in KOP's sphere, the national-level politicians and the chairman of the Board of Enso, Pentti Salmi, in the State's sphere, began more serious discussions about the potential merger of Veitsiluoto to Enso. Veitsiluoto was planning to build a fine paper machine in Oulu, which would make the state-owned Enso and Veitsiluoto directly compete with one another in the market and most likely also result in overcapacity. However, Finnpap and the managers of Veitsiluoto started to realize a secret plan of turning the opinions of politicians, as well as that of the general public in Northern Finland where Veitsiluoto's mills were located, against the merger. Veitsiluoto's managers did not want to lose Veitsiluoto's independence and turn it into Enso's production unit and Finnpap did not want another corporation to leave the association, since this would have been a further step towards its dismantling.[140] Consistent with Finnpap's and Veitsiluoto's plan, politicians' interest in regional policy became stronger, particularly concerning the positive impact of the machine investment to the Oulu region. They were not yet willing to consent to merging the corporations.[141]

But the real rivalry continued between KOP and SYP spheres, even at the personal level between Lassila and Tiivola – Tiivola would still, despite his retirement, be influential in SYP's Board and, for instance, continue as the chairman of the Board of Nokia, which was a promising company with a rapidly-growing electronics business unit and whose Board also Lassila was member of[142]. The main struggle would be around the shares of SYP and Sampo, on the one hand, and the shares of Pohjola and Rauma-Repola, on the other. Pohjola with its CEO Talonen was reluctant to go ahead with the idea of combining Pohjola and Sampo and was actually attempting to distance itself from KOP – Talonen even trying to undermine the position of Lassila as KOP's CEO.[143] Eventually, a share trade of enormous scale and scope was realized during the night of 14.3.1989 between SYP and KOP, with particularly Henrik Kuningas and Pentti Kouri acting as dummies on the respective sides. The trade concerned the shares of e.g. SYP and Sampo under KOP's control and the shares of Rauma-Repola, Pohjola, and Nokia under SYP's control.[144] The trade secured the spheres' positions, including that of Rauma-Repola in KOP's sphere. It also enabled the banks to distance themselves from the speculative dummies, who had become increasingly suspicious, unpredictable and greedy for quick capital gains and

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[137] Näsi, Ranta, and Sajasalo 1998, p. 84.

[138] Kuisma (Markku) 2004, pp. 434-435.

[139] Näsi, Ranta, and Sajasalo 1998, pp. 86–90, 105; Kuisma (Markku) 2004, p. 450.

[140] Heikkinen 2000, p. 446.

[141] Näsi, Ranta, and Sajasalo 1998, pp. 91–94; Näsi and Sajasalo 2006; Lamberg 2006.

[142] Kuisma (Markku) 2004, pp. 379, 404.

[143] Kuisma (Markku) 2004, pp. 434-438.

[144] Kuisma (Markku) 2004, pp. 434-438; Vihola 2000, p. 303.

brokerage. Moreover, KOP and Lassila further secured the links within their sphere by persuading Pohjola's Board to fire CEO Talonen who had ceased to cooperate with KOP and Lassila. A new cooperative CEO, Yrjö Niskanen, was appointed in September 1989 – Niskanen was the CEO of a life insurance company close to Pohjola, Suomi-Salama, whose cooperation with KOP Talonen had earlier started to oppose.[145]

At the end of 1989, in KOP's sphere, the plan to merge corporations within the sphere was brought up again: a merger of UPM and Rauma-Repola remained to be done[146]. On the other hand, in SYP's sphere there were already considerations towards a radical merger across the spheres of KOP and SYP, i.e. between UPM, which was, unlike Rauma-Repola, a pure P&P company, and Kymmene[147]. SYP and the flagship of its sphere, Kymmene, were aware that KOP's sphere could be planning to form a large P&P corporation of UPM and Rauma-Repola. Moreover, they had seen the amalgamation of the KOP sphere with the agri-capital sphere in the ownership arrangement of Kemi in 1986,in their consequent joint venture projects in building pulp mills, and finally in their establishing of an approximately half-and-half-owned pulp corporation, Metsä-Botnia, in 1989[148].

However, the agri-capital sphere and its flagship company, Metsä-Serla, acted in a way that surprised both KOP's and SYP's spheres in January 1990. Metsä-Serla had lots of cash, as KOP had granted a large loan to Metsä-Serla for the acquisition of a British P&P corporation, UK Paper, but the acquisition attempted in 1989 had not succeeded. The agri-capital sphere with Metsä-Serla's main owner, the forest-owners' Metsäliitto Cooperative, was looking for ways to expand. Metsäliitto feared that it would stay alone on its own, as the other spheres were merging their own P&P corporations into large units and did not show interest in it. Moreover, they had a particularly strong interest in increasing the demand for the forest-owners' wood and acquiring paper production capacity to process the wood. So, Metsä-Serla acquired almost a third of the shares of UPM within a short period of time, trying to corner it, and became its largest shareholder[149]. This stopped considerations of a merger between UPM and Kymmene[150]. Due to the activity of Metsä-Serla and in order to secure the positions of KOP's sphere, KOP and Pohjola started to acquire shares of UPM for any price and set up a directed issue of UPM shares to the other sphere corporation, Rauma-Repola. Next, a merger of UPM and Rauma-Repola was announced, on March 7th.

Shortly after the announcement of the merger between UPM and Rauma-Repola, on March 9th, Kymmene and its CEO Casimir Ehrnrooth announced that Kymmene would leave the sales association Finnpap. Having started up a new LWC mill, Caledonian Paper, in Scotland in 1989 and being in the process of completing the joint acquisition of a French company, Chapelle-Darblay, with the Swedish STORA – making Kymmene a significant newspaper producer and bringing in further LWC capacity[151] – Kymmene felt it had enough production capacity and such a variety of products that it could shift the sales of the its products produced in Finland to its own sales organization (see section 6.3.4).[152]

Metsä-Serla first prevented the merger of UPM and Rauma-Repola from happening in the General Meeting of shareholders of UPM in April 1990. However, negotiations between KOP's sphere and the agri-capital sphere went on. Even a merger of Rauma-Repola, or its P&P business, UPM, Metsä-Serla, and the jointly-owned Metsä-Botnia was negotiated. But KOP's sphere was not willing to realize this merger, mainly because it would have meant accepting

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[145] Kuisma (Markku) 2004, pp. 434-445.

[146] Kuisma (Markku) 2004, pp. 445, 451.

[147] Interviews (with Vainio 22.9.2005).

[148] Näsi, Ranta, and Sajasalo 1998, pp. 95–97; Näsi and Sajasalo 2006.

[149] Näsi, Ranta, and Sajasalo 1998, pp. 104–109; Kuisma (Markku) 2004, pp. 445–448; Näsi and Sajasalo 2006.

[150] Interviews (with Vainio 22.9.2005).

[151] Ojala 2001, pp. 40–42.

[152] Heikkinen 2000, pp. 442-449; Näsi, Ranta, and Sajasalo 1998, pp. 101–121.

wood procurement contracts demanded by Metsäliitto. KOP's sphere did not want to restrict the future wood procurement and operations of the new corporation by committing to guarding the interests of Finnish forest-growers owning a significant share of voting rights in the corporation. Eventually, in June 1990, KOP's sphere was able to obtain Metsäliitto's consent for the originally-planned merger of UPM and Rauma-Repola by agreeing to give protection to its minority shareholding in the new corporation, Repola, and by promising to set up a team that would investigate the possibility of closer cooperation and a potential later merger across the spheres.[153] Also, KOP would give Metsäliitto easier access to debt capital[154].

All in all, the merger activity that occurred mainly within the spheres little by little led to there being basically four large P&P corporations left in Finland in 1990, one in each of the four spheres. Figure 4 below illustrates the most important mergers and acquisitions of Finnish P&P corporations between 1985 and 1990 and Figure 5 the situation in 1990. In 1990, UPM was the flagship of KOP's sphere, although after the merger with Rauma-Repola, it was actually part of the Repola conglomerate, which also included mechanical engineering business. Kymmene was the flagship of SYP's sphere and Metsä-Serla that of the agri-capital sphere. In the State's sphere, the flagship was Enso. The only exception was the State's sphere, where attempts to merge Veitsiluoto to Enso had not so far been successful. On the other hand, somewhat outside the four spheres, there was Tampella with its P&P business, whose major owner was SKOP[155], as well as Myllykoski and Kyrö, independent family companies with P&P businesses. Furthermore, there had been some mergers and acquisitions and attempts at them across the spheres, particularly from the side of the agri-capital sphere. For instance, Metsäliiton Teollisuus was merged with a family-owned corporation, Serlachius (1986), having somewhat belonged to SYP's sphere, and a new corporation, Metsä-Serla, was formed. Later, Metsä-Serla tried to acquire corporations from the other spheres, such as UPM from KOP's sphere, but did not succeed in breaking the spheres. However, with the corner of UPM/Repola, as well as with some joint venture projects (e.g. Metsä-Botnia), Metsä-Serla and the agri-capital sphere became close to KOP's sphere and Repola[156].

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[153] Näsi, Ranta, and Sajasalo 1998, pp. 109–120; Kuisma (Markku) 2004, pp. 448-455.

[154] Kuisma (Markku) 2004, p. 473.

[155] Skippari, Mika (2005), *Evolutionary Patterns in Corporate Political Activity: Insights from a Historical Single Case Study*. Doctoral Dissertation, Tampere University of Technology, Tampere, Finland.

[156] Näsi and Sajasalo 2006.
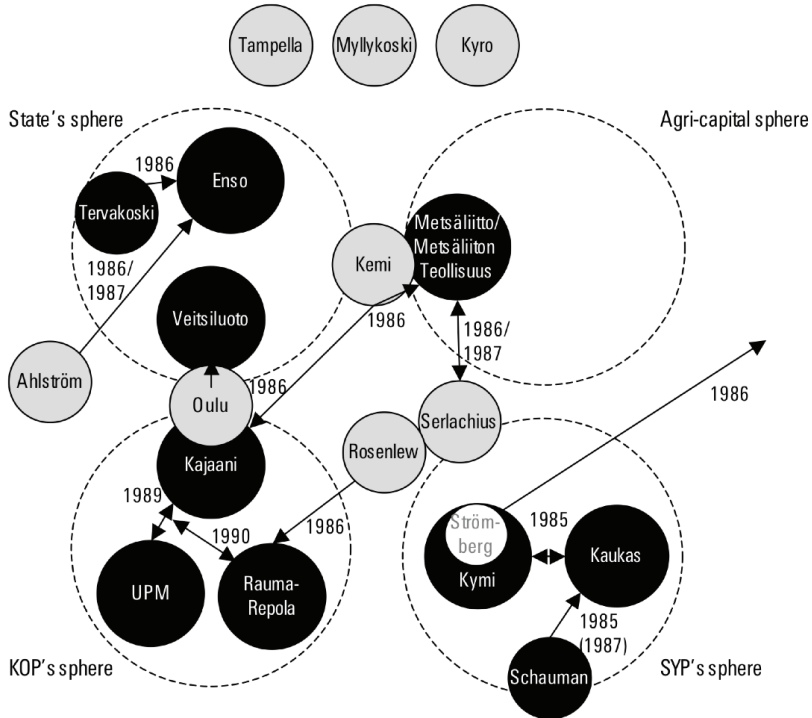
Figure 4: Mergers and acquisitions of Finnish P&P corporations in 1985–1990.
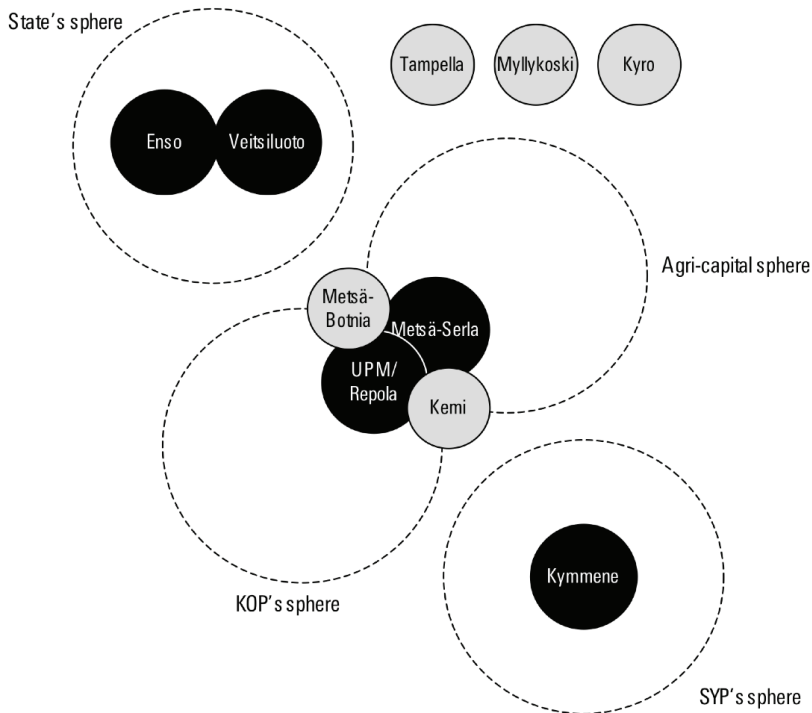
Figure 5: Finnish P&P corporations and capital spheres in 1990.

6.1.3 Risk concentrations of domestic banks and decreasing rivalry between the capital spheres

Mobilizations. The deregulation of the Finnish financial market made by 1987 resulted in increased supply of money to the banks and their starting to compete for selling loans to Finnish households and corporations – with the exception of some large corporations, like UPM/Repola and Kymmene, which remained in their respective spheres and largely kept their loans in the sphere banks. Besides the expanding crediting by Finnish banks, companies could now take currency loans from abroad. And the advanced information technology made movements of money agile, further increasing liquidity[157]. Amidst the fierce competition for market share, the Finnish banks, particularly their smaller subsidiaries, granted credit open-handedly, paying little attention to debtor risks.[158] Stock and real estate, whose prices seemed to be ever-increasing, were widely accepted as collaterals – often to finance businesses of stock speculation or real estate construction themselves, which became popular[159]. For instance, crediting by SYP expanded 55 per cent in 1986–1990 and that of KOP almost 80 per cent[160]. The national economy overheated, largely due to the increased supply of money. Stock and real estate prices kept soaring, as banks' financing of trade in these areas expanded rapidly.

In Spring 1989, soon after the high-volume cornering transactions by e.g. KOP, SYP and the dummies which had pushed stock prices further up had ended, stock prices started to fall[161]. There were fewer large investors on the buying side and private investors were losing their faith. Real estate prices also started to fall. Interest rates soared with the decreasing confidence levels and banks were increasingly cautious in granting loans. The value of collaterals in stock and real estates further decreased. Debt-driven investors were aspiring to get rid of investments in stock and real estate, as interest costs rose and the values of collaterals fell. Stock and real estate prices further decreased and loan costs could not be covered. Banks started to record extensive credit losses. Bankruptcies increased drastically. Unemployment started to grow. Domestic consumption, particularly loan-based consumption, started to decrease.[162]

At the same time, an international downturn was beginning, decreasing revenues of the export industries. The integration of Germany created a deficit in the German state budget. The Bundesbank reacted with tighter anti-inflationary policy and higher interest rates. Rising interest rates in the Western markets further decreased demand for Finnish exports. Then in 1990–1991, a particularly severe shock to the Finnish economy came with the collapse of the Soviet Union, which had accounted for about a quarter of Finnish exports.[163] Companies had to leave idle a considerable proportion of their production capacity and to cut investments sharply[164]. Large-scale lay-offs and downsizing generated record-high unemployment. Domestic consumption further diminished. The number of bankruptcies soared, particularly among small and medium-sized domestic firms in the service and construction sectors[165]. The crisis was further amplified by the commitment of the Bank of Finland to the monetary policy of a stable mark[166]. All the major Finnish banks were suffering from severe credit losses, which made their solvency very low. A

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[157] Kuisma (Markku) 2004, p. 381.
[158] Vihola 2000, pp. 313, 315–316.
[159] Vihola 2000, pp. 293, 290.
[160] Vihola 2000, p. 313.
[161] Kuisma (Markku) 2004, p. 459.
[162] Kuisma 2000, pp. 456-459.
[163] Kiander, Jaakko (2001), *Laman opetukset. Suomen 1990-luvun kriisin syyt ja seuraukset*. Julkaisuja 27:5. Helsinki, Finland: Valtion taloudellinen tutkimuskeskus.
Kuisma (Markku) 2004, pp. 500-502
[164] Tainio and Lilja 2003.
[165] Kuisma (Markku) 2004, p. 471.
[166] Kuisma (Markku) 2004, pp. 463, 499; Tainio and Lilja 2003.

banking crisis followed. The debt ratings of corporations, the banks, and even the Finnish State were falling considerably.

Relying heavily on exports, the P&P corporations had weak profitability and cash flow in 1990–1992. This combined with the high levels of debts made the corporations' equity ratios sink very low: to 20–30 percent for all the corporations in 1991–1992[167]. On the other hand, much of the credit capital they had still originated from the Finnish banks. As the individual corporations had grown in size, particularly in the mergers that had been realized, their loans in individual banks had grown in size absolutely and relative to the equity of the banks[168]. For instance, the credit risks SKOP had in Tampella turned out to be actually larger than the bank's own equity capital[169]. The risks KOP had in Repola and SYP in Kymmene were also close in size to the banks' own equity capital[170].

Actually, the decreasing solvency of the Finnish banks could lead to the banks going bankrupt, with their equity vanishing. The banks, particularly the large banks like KOP and SYP, going bankrupt and becoming unable to direct the flow of funds and money in Finland could even mean a collapse of the whole Finnish domestic and state economy. It would mean also that, for instance, the large P&P corporations, which had large loans in the banks, would come to suffer from lack of capital. This would be particularly true, as the low equity ratios of the corporations, their low debt ratings and entire country's low debt rating would make foreign banks quite unwilling to grant them debt, let alone inexpensive debt. For the managers of the P&P corporations the bankruptcy of the banks would also be bad, as there were still the personal and cross-manager relationships between the banks and the P&P corporations and their managers.

Furthermore, the low equity ratios of the large P&P corporations, their weak profitability and cash flows, and large loans in the Finnish banks – relative to the size of the banks' decreasing equity – would make them constitute considerable credit risk concentrations to the banks. Yet, earlier interests related to mergers still being strong, further mergers between the P&P corporations were being planned: for instance, the merger that had been planned already at the beginning of 1990s, particularly in SYP's sphere, between UPM/Repola and Kymmene would create an even more extreme credit risk concentration for its Finnish creditor banks. Actually, even additional capital would be needed as mergers and acquisitions were realized, as new investments in production capacity were planned and as in the anticipated dismantling of the sales associations, considerable inventories and sales receivables would have to be taken to the balance sheets of the corporations, particularly to those corporations that were still members of the sales associations in the early 1990s, e.g. Metsä-Serla and UPM/Repola[171]. Since foreign banks would be quite unwilling to grant debt to the P&P corporations, let alone inexpensive debt, they could not get capital easily from there either. This would hinder them from making investments and thus hinder their recovery and the recovery of the whole domestic and state economy from the recession.

Mobilizations. While the banks and the whole economy were ending up in a deep crisis, a scandal around KOP emerged in the spring of 1991. The leading Finnish newspaper, Helsingin Sanomat, and a leading magazine, Suomen Kuvalehti, revealed to the nation that KOP and its CEO Jaakko Lassila had in the late 1980s used Pentti Kouri and other speculators as dummies in cornering and sphere-securing operations. Moreover, KOP was revealed to have participated in dividing capital gains from its share trade operations with the speculators. The reputation of

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[167] Näsi, Ranta, and Sajasalo 1998, pp. 141, 150.

[168] Kuisma (Markku) 2004, p, 570.

[169] Helsingin Sanomat, 18.2.1992.

[170] Kuisma (Markku) 2004, p. 472

[171] Interviews (e.g. with Anttila 8.11.2005).

Lassila and KOP among the general public and among the Board of KOP, consisting of the elite of the Finnish economy, severely deteriorated. Only a few insiders among the top managers of the bank had known about the operations and to the rest of Finland, including the Board, Lassila had refrained from telling the truth, even lied. Following a recommendation from the CEOs of KOP's closest allies, Yrjö Niskanen of Pohjola and Tauno Matomäki of Repola, Lassila was forced to resign. A new CEO for KOP, Pertti Voutilainen, started in the autumn of 1991. This meant that the final dissolution of the bank sphere of KOP would begin. Voutilainen would not be made or want to act as the chairman of the Board of either Pohjola or Repola[172], meaning that the bank and its CEO would not have much control on these corporations – rather vice versa.

Interests in rapidly increasing the equity and improving the profitability of Finnish banks and corporations in the early 1990s. With Lassila (KOP) and Tiivola (SYP) and their rivalry on a personal level gone, the earlier interest in winning the competition for who would be the ones getting to decide how the strategic restructuring and mergers of large Finnish corporations would happen (see p. 104) became somewhat weaker, particularly when it came to the spheres of KOP and SYP and their CEOs. Also the interest in obtaining or retaining power, or fighting against fear of losing it and in winning the competition for who would be the most powerful person in Finnish business life became somewhat weaker.

On the other hand, recognizing the losses and plummeting solvency of the banks as a very serious problem, the government officials and the top managers of the banks and the P&P corporations jointly became more interested in increasing the equity of the banks and improving their profitability. Moreover, recognizing the lack of capital available for the P&P corporations and for other corporations, as well as the credit risk concentrations of the banks as serious problems, the top managers of the banks and the P&P corporations, and government officials jointly became more interested in rapidly increasing the equity and improving the profitability of Finnish corporations, again particularly those of the banks but also those of the P&P corporations.

Specifically, in increasing the equity and improving the profitability of the banks, the government officials, and to some extent also the top managers of the banks and the P&P corporations, were interested in restricting the level of debt a bank could grant to an individual debtor gradually to a maximum of 40 percent and later 25 percent of the bank's equity. For the government officials, this would be a translation of preventing cases like SKOP and its risks in Tampella and in general of preventing reckless credit-granting and new banking crises[173]. Moreover, quite jointly for the government officials and top managers of the banks and the P&P corporations, it would also be a translation of the increasing willingness to have Finland join the European Community (EC): the Commission of the EC gave recommendations for regulations on banks' risk concentration percentage levels with individual debtors[174].

Interests in planning and realizing mergers and making ownership arrangements of Finnish banks and insurance companies in the early 1990s. The top managers of the banks and the P&P corporations and government officials, as well as the top managers of the insurance companies, became more interested in planning and realizing mergers of one Finnish bank or insurance company with another. First, planning and realizing a merger of a bank with another bank or even another kind of financial institution, an insurance company, would be one translation of rapidly improving the banks' profitability, as overcapacity could be removed by e.g. eliminating overlapping branch offices and administration. On the other

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[172] Kuisma (Markku) 2004, p. 579

[173] Jääskeläinen, Atte (1991), "Pankkitarkastus ryhmittyy uudelleen", *Helsingin Sanomat,* 22.10.1991.
    Nurmi, Esko (1992), "Ja loppuu talouden keskittyminen", *Helsingin Sanomat,* 8.11.1992.

[174] Kuisma (Markku) 2004, p. 472;
    Interviews (with Vainio 22.9.2005);
    Nurmi, Esko (1994), "Repola-konsernin purku alkoi", *Helsingin Sanomat,* 16.12.1994.

hand, if a bank was merged with an insurance company, a financial "department store" with synergies in operations and serving customers would result. Second, planning and realizing a merger of a bank with another bank or insurance company would be a translation of increasing the equity of a bank with a weak equity situation, as this bank would be combined with a bank or insurance company with a stronger equity situation.

Moreover, particularly for the Finnish banks and their top managers, planning and realizing a merger of their bank with another one would be a translation of not being left behind in improving profitability, increasing equity, and reducing credit risk concentrations, in the sense that some other bank would first go and realize a merger. For the government, in turn, planning and merging one bank with another would be one translation of preventing distortion of competition in the Finnish bank sector.

Even planning and realizing a merger of a bank or an insurance company *across* sphere boundaries, such as that of KOP and SYP themselves, was not out of question, Lassila and Tiivola being gone. On the other hand, like with mergers of P&P corporations earlier, the merging of one bank with another would still be a translation of the sphere power persons' interest in winning the competition for who would be the ones getting to decide how the strategic restructuring and mergers of Finnish banks and corporations would happen. It would also be one translation of their interest in obtaining or retaining power, or fighting against fear of losing it. And it would be a translation of competing who would be the most powerful person in Finnish business life. However, as implied above, particularly when it comes to KOP's sphere, the power persons were somewhat new. Lassila was gone and Pohjola's CEO Niskanen and Repola's CEO Matomäki had the strongest power interests – the sphere would largely have transformed into Pohjola's sphere, Lassila having resigned in 1991 and KOP having started the struggle against threatening bankruptcy.

Interests in devaluating the Finnish mark in the early 1990s. The top managers of the P&P corporations, as well as those of other companies relying on exports and some banks, became more interested in lobbying for devaluation of the Finnish mark. Government officials also became increasingly interested in planning and realizing devaluations of the currency[175]. Devaluations would be one translation of rapidly improving the profitability of the export companies, which were invoicing in foreign currencies but had most of their costs incurred in the domestic currency. Namely, more marks could be obtained from selling the same volume of products as before and costs could be better covered.

Mobilizations. In 1991, SKOP, the commercial bank of the largest retail bank group close to bankruptcy ended up in the possession of the central bank, the Bank of Finland. This actually moved the P&P corporation Tampella to the State's sphere, as SKOP owned approximately half of it[176]. SKOP's fall affected the credibility of the whole retail bank group, which attempted to strengthen itself by forming a national bank called Suomen Säästöpankki (SSp)[177], partly due to pressuring by SYP, which was planning to acquire SKOP from the State and further progress to merging the retail bank to itself[178].

Further, with Lassila as the CEO of KOP and Tiivola as the CEO of SYP gone since the end of 1991, KOP's new CEO Voutilainen discussed a potential merger between KOP and SYP with SYP's CEO Ahti Hirvonen. Neither of the banks was far from bankruptcy. That time the discussions ended without result. The merger project seemed too enormous to handle in the

[175] Kantola, Anu (2002), *Markkinakuri ja managerivalta. Poliittinen hallinta suomen 1990-luvun talouskriisissä*. Helsinki: Loki-kirjat. Kiander 2001, p. 26.

[176] Näsi, Ranta, and Sajasalo 1998, p. 4.

[177] Kuisma (Markku) 2004, p. 556.

[178] Vihola 2000, pp. 306–309.

middle of the crisis. But the personal discussion and contacts remained.[179] Besides, further close contacts between the remaining power persons of the dissolving spheres would start to form in the Board of Directors of Nokia, which in 1992 was not far from bankruptcy either and was hardly the promising company it had once been. After Tiivola withdrew from the position of the chairman of the Board of Nokia, there were Niskanen from KOP's sphere – which further transformed more to sphere of Pohjola – and Hirvonen and Ehrnrooth from SYP's sphere left.[180]

On the other hand, in 1991, the interests in devaluating the Finnish mark were strong, as the export industries, led by the P&P corporations, demanded the government and the Bank of Finland to end the policy of strong and stable mark and devalue the currency. In November 1991, the Bank of Finland finally let the mark devaluate over 10 per cent. The devaluated mark started to somewhat strengthen the cash flows of e.g. the P&P corporations, but also meant that these corporations, other Finnish corporations, households, and banks which had debts in foreign currencies at a value of hundreds of billions of marks had to suffer severely from the drastic increase in their liabilities. The P&P corporations recorded further losses and elsewhere more bankruptcies resulted, as well as credit losses to the banks.[181] Moreover, it was soon realized that the markets were anticipating additional devaluation, despite the support efforts of the Bank of Finland. Speculations led to further increasing interest rates, decreasing domestic demand, bankruptcies, growing problems for the banks, and growing unemployment. Even for the export industries' competitiveness, the devaluation was not enough. So, in September 1992, the government was forced to let the currency float, which led to an immediate further devaluation of the mark by 10–20 per cent. Whereas the competitiveness and cash flows of the export industries rapidly started to strengthen, foreign investors continued to draw their investments in Finnish marks away. The debt ratings of the State, the banks, and corporations decreased, the cost of money increased, and there was the danger that money flows to Finland would come to a halt altogether. Due to the bad condition of the national economy and the banks in autumn 1992, the raising of debt capital from abroad was rather difficult also to P&P corporations.[182]

Among the P&P corporations, particularly from Metsäliitto and its daughter Metsä-Serla, foreign banks called in loans of a billion marks in 1991 and the Finnish banks, particularly KOP, which had promised to support Metsäliitto's financing during the merger negotiations of UPM and Rauma-Repola, were forced to take further responsibility of their financing[183]. The banks, on the other hand, also demanded that Metsä-Serla raise more equity capital. But raising a large amount of equity capital in Finland, which was still a somewhat capital poor country and additionally suffering from the deepest recession of its recent history, was not a very feasible option either. For instance, when Metsä-Serla's creditor banks noticed the risk concentration formed by the unprofitable and highly indebted corporation and demanded that Metsä-Serla raise more equity capital in 1991, it was able to raise capital, with the issue price set, mainly only from the faithful Finnish forest-growers owning the corporation through the Metsäliitto Cooperative.[184] On the other hand, Metsäliitto's becoming the majority owner of Metsä-Serla annoyed the Serlachius family, which had formed the company as a "joint" venture in 1986. They wanted to sell their share of the corporation. An agreement was made with Metsäliitto: Serlachius family would exchange, at the turn of 1993, their Metsä-Serla shares to Repola shares which Metsäliitto owned following the cornering attempt of UPM it had made earlier with Metsä-Serla.[185] In any case, Metsä-Serla could improve its equity ratio. UPM/Repola, in turn,

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[179] Kuisma (Markku) 2004, pp. 548–550.

[180] Kuisma (Markku) 2004, p. 581.

[181] Kuisma (Markku) 2004, pp. 466, 538.

[182] Kiander 2001, pp. 26–30; Kuisma (Markku) 2004, pp. 562–564.

[183] Kuisma (Markku) 2004, p. 541.

[184] Näsi, Ranta, and Sajasalo 1998, p. 130; Talouselämä, 16/1992.

[185] Kuisma (Markku) 2004, p. 541; Näsi, Ranta and Sajasalo 1998, pp. 127–132.

could start to distance itself from the agri-capital sphere, as Metsä-Serla/Metsäliitto did not have as significant ownership stakes within it as earlier.[186]

6.1.4 Restrictions to foreign ownership of Finnish corporations removed and corporate tax lowered

Kymmene deputy CEO, Martin Granholm, in 1992[187]:
The importance of the balance sheet is increasing, particularly the equity side of it.

Interests in removing restrictions to foreign ownership of Finnish corporations and lowering corporate tax in the early 1990s. The capital problems of the P&P corporations would not be solved even though the top managers, particularly CEOs and financial managers, of the corporations would themselves also begin to recognize that much more debt could not be taken and the equity ratio had to be raised to at least 40 percent from the 20–30 percent level where it had sunk to in 1991–1992[188]. Whereas Metsä-Serla's and Metsäliitto's risks were somewhat divided among all the banks, the risks of UPM/Repola would be concentrated to KOP and those of Kymmene to SYP[189]. For instance, in 1993 risks in Repola amounted to an enormous 6.4 billion marks of KOP's total of 100 billion. Adding KOP's risks in Metsäliitto group to this, the sum was over 13 billion marks – this was more than the own equity and provisions of KOP.[190]

The top managers of the P&P corporations and the banks and the government jointly became more interested in planning and realizing the removal of the restriction of foreign ownership of Finnish corporations. This would be a translation of increasing the equity of the Finnish corporations, as they could raise more equity capital from abroad. They also became more interested in the lowering of the corporate tax in Finland. Also this would be a translation of increasing the equity of the Finnish corporations, as they could raise equity capital from abroad more easily, as a lower proportion of profits of the companies would go to the Finnish tax authorities.

Moreover, planning and realizing removal of the restriction of foreign ownership of Finnish corporations and lowering corporate tax would be a translation of planning to join the European Community and conforming to the development of its economic space[191].

Mobilizations. The government removed the restriction limiting foreign ownership to 20 percent in Finnish corporations in 1993. The interests in enabling corporations to raise equity capital from abroad were strong. The government also lowered corporate tax in Finland, at once, from the average of 36 percent then – internationally high – to 25 percent. Also here, interests in enabling corporations to raise equity capital from abroad by attracting foreign equity investors were strong. For instance, Metsä-Serla planned to – and did – raise foreign equity capital right away in spring-summer 1993. The interests in increasing the equity ratio and in improving the ability to make investments for growth were strong[192]. When it comes to growing, Metsä-Serla was planning a new paper mill at Kirkniemi, a new pulp mill at Rauma, and expansion of its paperboard business in Finland through acquisitions, starting with Tampella Forest. Moreover, the anticipated dismantling of the sales associations would mean that inventories and sales

186   Näsi, Ranta, and Sajasalo, pp. 156-157.
187   Virta, Reijo (ed.) (1992), "Kymmene Oy muuttuvassa työyhteisössä", *Kaukas,* 11, pp. 6–7.
188   Interviews (with Vainio 22.9.2005)
189   Jääskeläinen 1991; Jaakkola 1992.
190   Kuisma (Markku) 2004, p. 541
191   Hallituksen esitys Eduskunnalle ulkomaalaisten yritysostoja ja kiinteistönhankintaa koskevaksi lainsäädännöksi (Government proposal to the Parliament concerning legislation about acquisitions of companies and real estate by foreigners), HSE 120/1992. Parliamentary Documents 1992.
192   Malin, Risto (1994), "Osakeoperaatiot tervehdyttivät Metsä-Serlaa, mutta yhtiö on juuttunut kakkossarjaan", *Talouselämä,* 14, p. 44. Poranen, Timo (1995), "Clear strategic focus" (editorial), *Metsä-Serla News,* 3, p. 2.

receivables would have to be taken to the balance sheet[193]. Further, in 1993 Metsä-Serla also sold most of its remaining Repola shares to foreign investors. Again the interest in raising equity ratio was strong. This also meant that UPM/Repola further distanced themselves from the agri-capital sphere[194].

For the other P&P corporations, too, raising equity capital from abroad was an important alternative to be seriously considered in financing. And furthermore, the reluctance to show profits, at least when it comes to tax planning was, at this time at the latest, quite gone[195].

6.1.5 The corporations becoming increasingly large, Risk concentrations of domestic banks, and Decreasing rivalry between capital spheres

Mobilizations. For the export industries, the recession had started to turn into an upturn in 1992 due to the two devaluations of the Finnish mark and their own cost-cutting programs[196]. The demand for the products of P&P corporations was rapidly reviving in the key exports and the devalued mark made the Finnish corporations fairly competitive[197]. Already at the beginning of 1993, in the State's sphere, Enso felt strong enough to merge, or acquire, and integrate Tampella's forest industry business, which was in the possession of the Bank of Finland – albeit that Enso financed that acquisition mostly with a directed share issue operation. Still in 1991–1992, Enso's top managers had not been willing or prepared to acquire the other P&P corporation in the State's sphere, Veitsiluoto – in planning the merger, the government had had strong interest in improving Veitsiluoto's critical solvency and cash situation[198]. As mentioned above, also Metsäliitto, or Metsä-Serla, was interested in acquiring Tampella's forest industry business, particularly the paperboard mill Inkeroinen.[199] Metsä-Serla had planned, to some extent also within the sales association Finnboard, that it would acquire Finnboard's member mills under its exclusive ownership. Metsä-Serla already owned Tako and Äänekoski board mills. With the addition of Tampella's Inkeroinen mill and by later acquiring the board business of a private company, Kyrö, which was outside the spheres, from the families owning it and acquiring the Simpele mill from UPM/Repola, Metsä-Serla would have come to own all the significant Finnish paperboard mills. At the same time, the sales association Finnboard would have come to belong to Metsä-Serla quite exclusively.[200] However, Tampella remained in the State's sphere and ended up with Enso. This meant that Tampella's mills left the sales associations Finnpap and Finnboard.

When it came to the banks, the crisis continued. KOP's solvency was becoming critically weak. The top managers' interest in increasing equity was strong, as they were planning to sell KOP's ownership in many Finnish corporations, including the sphere corporations Pohjola and UPM/Repola. KOP and its CEO Voutilainen even negotiated with the State in 1993 about it becoming KOP's major owner by converting its large subordinated loan into equity. The large owners of KOP, led by Pohjola and UPM/Repola, could not, however, accept the exchange terms offered by the State, which would have made it the majority owner of KOP and shifted KOP to the State's sphere. KOP had to start realizing an extensive share issue, "Kansallistalkoot", again

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[193] Interviews (with Anttila 8.11.2005).

[194] Näsi, Ranta and Sajasalo, pp. 156–157.

[195] Interviews (with Anttila 8.11.2005).

[196] Kuisma (Markku) 2004, p. 566; Poranen 1995;
       Interviews (with Anttila 8.11.2005).

[197] Kuisma (Markku) 2004, p. 542.

[198] Näsi, Ranta, and Sajasalo, pp. 131–134.

[199] Näsi, Ranta, and Sajasalo, pp. 152–155.

[200] Laiho 1998, pp. 138–139;
       UPM-Kymmene, Press Release, 1.4.1997.

having a strong interest to increase equity.[201] On the other hand, SSp, which had been formed as a national bank for the retail bank group, had to be kept standing by continuous financial support from the government. Eventually, four banks, KOP, SYP, Postipankki (PSP), and OP Group set out to start negotiations on buying SSp jointly and dividing its assets. An agreement was reached with the State and the division occurred at the end of 1993. KOP had to finance its part of the acquisition mostly with a share issue directed at the State, which meant that the State became by far the largest owner of KOP with a share of 15 %. So, KOP's, or KOP-Pohjola's sphere, became closely connected to the State's sphere after all, further blurring the sphere boundaries.[202] In relation to the SSp transaction, SYP also arranged a share issue in which the State became an owner of SYP, too, but with a smaller share of about 6 percent[203].

        But even the internal coherence of KOP-Pohjola's sphere was weakening. The retail, insurance, banking, and construction group associated with the labour movement, concentrated around the Eka group, ended up being reorganized in the autumn of 1993. KOP, being the main creditor of Eka, bought it, ensuring that it could collect its receivables. Soon KOP and Voutilainen asked other insurance companies for offers of the imdemnity insurance company of Eka, Vahinko-Kansa. Pohjola's top managers, still trusting its sphere arrangement with KOP, believed Vahinko-Kansa would easily end up in its hands. But the other large insurance company, Sampo, which was close to SYP's sphere, made a more serious offer and KOP decided to sell Vahinko-Kansa to Sampo. This shocked Pohjola and its CEO Niskanen. The financing of the acquisition also involved establishing cross-ownership between KOP and Sampo. Actually, this led to Pohjola's Niskanen, together with Repola's Matomäki, strengthening their control of KOP by having a new nine-member external Board of Directors installed to govern KOP in the spring of 1994 and replacing the traditional Finnish internal, advisory-type Board of 30 members. Matomäki would be the chairman of the Board and Niskanen the vice-chairman. They had some plans to merge KOP with Pohjola and could prevent KOP from further approaching Sampo, which some of KOP's top managers were planning in terms of selling KOP's real estate property to Sampo, raising equity capital from Sampo, and shifting KOP's insurances to the hands of Sampo.[204] On the other hand, the prevention of the selling of KOP's real estate property to Sampo meant that KOP's solvency problems would continue to be serious and it would have to look for capital elsewhere.

        When it came to the P&P corporations, they were able, with the help of the devaluations of mark in 1992 and the economic upturn internationally in 1994–1995, to raise their equity ratios to around 40 percent[205]. On the other hand, their loans and loan costs were also affected by the decreasing interest rates in Germany in 1992–1994. The increasingly strong cash flows of the P&P corporations, the improved equity rations, and the decreasing interest rates in Germany would make it increasingly feasible for them to shift loans from the Finnish banks to foreign ones. After the many years of crisis, foreign banks would now be more willing to grant debt to the corporations for a reasonable price – less expensively than the Finnish banks, which were suffering from low debt ratings in their own financing[206]. Moreover, if the integration into the European Community and particularly towards the European Monetary Union and the European Exchange Rate Mechanism (ERM) would occur as the government was planning, the exchange rate of Finnish mark would vary only to a limited extent relative to other European currencies, between fixed currency exchange margins. This would remove much of the currency fluctuation risks that the P&P and other large Finnish corporations had to bear when raising debt capital

201 Kuisma (Markku) 2004, pp.571–572.

202 Vihola 2000, pp. 308, 311, 316; Kuisma (Markku) 2004, pp. 556–560.

203 Vihola 2000, p. 310.

204 Kuisma (Markku) 2004, pp. 544–547, 578–580.

205 Interviews (with Vainio 22.9.2005)

206 Interviews (with Anttila 8.11.2005).

abroad. It would also remove much of the currency fluctuation risks that could reduce the willingness of foreign debt investors to invest in Finnish corporations. Furthermore, equity investors would also be interested in investing in the corporations, like Metsä-Serla's share issue in the summer of 1993 had shown.

On the other hand, further mergers being planned would make the domestic banks' credit risk concentrations even more serious. For instance, in 1993, the largest Finnish P&P corporations UPM and Kymmene had a turnover of about 16 billion Finnish marks, which was only half of the turnover of Sweden's largest P&P corporation, STORA. And the US giant International Paper had a turnover as high as 80 billion marks.[207]

Interests in merging Kymmene and UPM/Repola and SYP and KOP in 1994–1995.
Recognizing the continuing risk concentration and solvency problems of the banks, as well as their inability to compete for the financing of e.g. the P&P corporations, particularly SYP's sphere and the top managers of SYP and Kymmene became, since the spring of 1994, increasingly interested in merging, at the same time, SYP with KOP and Kymmene with UPM/Repola. This would be a translation of merging the P&P corporations and of simultaneously alleviating the risk concentration problems of both SYP and KOP and the problem of their not being able to further finance the large Finnish P&P corporations. Moreover, it would be a translation of SYP not being left alone in the restructuring. The managers knew that KOP's equity and solvency problems were continually so serious that it would most likely have to merge soon with some other bank or financial institution. If this was some other player than SYP, SYP would have come to suffer in the pressure of the resulting banking company as too small a player. There was the particular threat that KOP would merge with Postipankki in the State's sphere, since the State already owned a significant share of KOP, following the share issue related to division of SSp. But also Swedish banks, such as Handelsbanken and SEB, could be interested in merging with KOP.[208] Moreover, for SYP, a merger with KOP would be a translation of starting a process of forming a large pan-Nordic bank through mergers and acquisitions in Sweden and other Scandinavian countries. This, in turn, would be a translation of gaining the larger size necessary in financing large Finnish and Scandinavian corporations, such as Kymmene-UPM and other merging P&P corporations, or rapidly growing companies, such as Nokia and Ericsson. It would be necessary in keeping the proportion of the loans of an individual company to the equity capital of the bank sufficiently low, ultimately at least below the upper limit of 25 percent set by regulations.[209] Alone, SYP would be too small to directly start the restructuring process across Nordic borders[210].

On the other hand, Pohjola and its CEO Niskanen were also particularly interested in merging KOP with SYP together with merging UPM/Repola with Kymmene. This would be a translation of preventing KOP-Postipankki, KOP-Handelsbanken, or KOP-SEB combinations, in which Pohjola would not have much power or control. It would also be a translation of Niskanen's desire to get Board positions in the most important Finnish corporations. It could be that after the mergers, the chairman of the Board positions for both Kymmene-UPM and SYP-KOP, and even for the suddenly promising (again) and rapidly growing Nokia, would come from their major owner Pohjola. Further, a SYP-KOP merger would be a translation for Niskanen and Pohjola to advance towards forming a powerful financial house by having SYP-KOP allied with Pohjola.[211]

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[207] Näsi, Ranta, and Sajasalo 1998, p. 167; Kuisma (Markku) 2004, pp. 581–582.

[208] Vihola 2000, pp. 324–325; Kuisma (Markku) 2004, pp. 580–583, 595.

[209] Interviews (with Vainio 22.9.2005)

[210] Kuisma (Markku) 2004, p. 593.

[211] Kuisma (Markku) 2004, p. 590.

Mobilizations. In 1994, serious discussions and negotiations around a potential merger of UPM/Repola and Kymmene were started. The power persons of the KOP-Pohjola's and SYP-Ehrnrooths' spheres were, again, active in the negotiations. From the former sphere, particularly active were now the CEO of Pohjola and the vice chairman of the Board of KOP, Yrjö Niskanen, and the CEO of Repola and the chairman of the Board of KOP, Tauno Matomäki.[212] From the latter sphere, particularly active was the chairman of the Board of Kymmene and a Board member of SYP, Casimir Ehrnrooth. The first serious negotiations, concentrating on UPM/Repola and Kymmene's merger, ended fruitlessly, though. The SYP-Ehrnrooths' sphere and Kymmene could not accept the swap agreement of shares offered by UPM/Repola in June 1994.

On the other hand, the merger negotiations across KOP-Pohjola's and SYP-Ehrnrooths' spheres coming up in the media in June increased activity in the State's sphere, as well as in the agri-capital sphere. Enso's top managers had strong interest in not remaining too marginal a player should the merger of UPM/Repola and Kymmene be realized. There were also anticipation that the Swedish corporations SCA or Stora would be thinking about acquiring Kymmene. Enso planned to merge the other remaining state-owned P&P corporation, Veitsiluoto, to itself. The State was convinced that the rather small Veitsiluoto could hardly get rid of its loans, make large investments, or survive the next recession, and decided to arrange a competitive bidding for 35 % of Veitsiluoto's shares. In addition to Enso, Metsä-Serla was interested in acquiring the shares of Veitsiluoto. But as earlier with Tampella Forest, the interest in having a merger within the State's sphere was strong, as Veitsiluoto's minority share went to Enso. The politicians sold only a minority share first: this would give the general public, particularly in Northern Finland, the impression that Veitsiluoto would continue as an independent company.[213] However, the Minister of Trade and Industry Seppo Kääriäinen had called Aarre Metsävirta from Tampella to the position of the chairman of the Board of Veitsiluoto, just to eventually find "a new home" for Veitsiluoto, most likely as an integral part of Enso[214]. So, a close strategic alliance between Enso and Veitsiluoto was established and the merger would be completed later.

At the same time, negotiations between KOP-Pohjola's and SYP-Ehrnrooths' spheres went on silently. This time the negotiations concentrated on the merger of KOP and SYP – which would be realized first, and then, the merger of UPM/Repola and Kymmene. But these negotiations also ended without result in September 1994: KOP-Pohjola's sphere could not accept the swap agreement of shares offered by SYP-Ehrnrooth's sphere. As KOP had strong interest in increasing its equity and solving its acute solvency crisis, KOP had to raise new capital with another share issue, "Kansallisanti". In the share issue, KOP was particularly dependent on the money of Pohjola and Repola, whose CEOs, Niskanen and Matomäki, could further tighten their control of KOP. On the other hand, the interest in a SYP-KOP merger was strong, as SYP prepared for it in December 1994 by investing indirectly in KOP's shares – on KOP's own initiative[215]. Namely, an investment company of SYP-Ehrnrooth's sphere, Pomi, indirectly participated in subscribing for shares by acquiring old shares of KOP from KOP's pension fund for 79 million marks, enabling the subscription of the pension fund for new shares of KOP[216]. On the other hand, Pohjola further increased its ownership and control of KOP in the share issue.

Soon after the share issue, at the turn of 1995, it became clear that the new capital went exclusively to cover losses and write-downs of KOP for 1994. The interest in the merger of SYP and KOP, and later Kymmene and UPM/Repola, was strong for Pohjola, as CEO Niskanen actively started to push the merger after active negotiations were initiated by KOP's and SYP's CEOs, Voutilainen and Vainio in January 1995. For SYP, it was advantageous to push the merger before

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[212] Näsi, Ranta, and Sajasalo 1998, pp. 163–165.
[213] Näsi, Ranta, and Sajasalo 1998, pp. 165–175; Näsi and Sajasalo 2006; Lamberg 2006.
[214] Interviews (with Metsävirta 8.8.2005).
[215] Vihola 2000, p. 326.
[216] Kuisma (Markku) 2004, p. 595.

KOP would start to get into a better condition[217]. The cooperation of the Minister of Finance, Iiro Viinanen, was sought as the State was a major owner of KOP. The government officials had the strong interest in preventing the threatening fall of KOP and its potentially severe consequences to Finland and the State's finances, as it was willing to support the merger even if it meant significant centralization of the Finnish banking business. On the other hand, foreign banks started to be active in Finland due to the upturn, and there would be increasing competition from their side, too[218]. The merger was realized in 1995. Merita Bank was formed out of SYP and KOP. Reducing the overcapacity of the Finnish banking sector with considerable cost, cuts in branch office numbers and personnel were started.[219] The two remaining bank spheres became one.

The merger of SYP and KOP and the power persons of the combined sphere sharing the Board and management positions in Merita Bank, UPM/Repola, and Kymmene made it clear also to the agri-capital and the State's sphere, and the top managers of Metsä-Serla and Enso, that UPM/Repola and Kymmene merger would likely be realized soon[220]. Metsä-Serla had the strong interest in not being left alone, as it declared to the State and Ministry of Trade and Industry its willingness to merge with Enso in March 1995. The Center Party, which was leading the government and favoured the agri-capital sphere, considered the offer. However, the Social Democrat Party, which came into power in the Parliamentary election in March that year, had the interest in not letting Metsäliitto's forest-grower-owners dominate the Finnish wood market too strongly, as they refused to sell Enso. Even a "poison pill" was set into Enso's articles of association prescribing that should the ownership of one owner rise above 33 percent, this owner would have to make a redemption offer for the rest of the shares – this would prevent Metsä-Serla from cornering and trying to take over Enso. Anticipating the Kymmene-UPM/Repola merger and the dismantling of Finnpap that would inevitably follow, Enso, on the other hand, had Veitsiluoto pay itself out of the contracts with Finnpap and declare resignment from the sales association from 1996 on[221]. Moreover, the politicians could be convinced to quickly advance with the plan to merge Veitsiluoto completely to Enso. The remaining members of Finnpap, Metsä-Serla, Myllykoski, and UPM decided to divide the sales organization into units so that each corporation would get its own sales unit. These units could be transferred to the corporations if or when the Kymmene-UPM/Repola merger would be realized[222]. Having separate units was necessary also because after Finland had joined the European Union (EU) at the beginning of 1995, the competition authorities of Finland and of the EU commission were disapproving of the sales cartel maintained by Finnpap and demanding that the pricing and marketing issues of the different member corporations be kept strictly separate (see section 6.3.4)[223].

On the paper production side, Metsä-Serla and Myllykoski would remain alone and small when the Kymmene-UPM/Repola and Enso-Veitsiluoto mergers would be realized. As Myllykoski's family-owners would not be willing to sell their company to Metsä-Serla, there was no paper production in Finland to be acquired for Metsä-Serla. The top managers decided to continue with their earlier plan of acquiring as much of the paperboard production in Finland to Metsä-Serla's ownership as possible. Metsä-Serla acquired the forest industry business of Kyrö in June 1995[224]. Finnboard turned into a sales organization almost exclusive to Metsä-Serla's

217 Kuisma (Markku) 2004, p. 593.
218 Vihola 2000, p. 323.
219 Kuisma (Markku) 2004, pp. 592–604.
220 Heikkinen 2000, p. 464; Näsi, Ranta, and Sajasalo 1998, pp. 185–188.
221 Heikkinen 2000, 464-465; Näsi, Ranta, and Sajasalo 1998, p. 193.
222 Heikkinen 2000, p. 465; Poranen 1995.
223 Heikkinen 2000, p. 469.
224 Näsi, Ranta, and Sajasalo 1998, pp. 196–197.

paperboard, with the only significant producer not owned by Metsä-Serla being UPM/Repola's Simpele[225].

In September 1995, UPM/Repola and Kymmene then finally announced their merger, as expected[226]. UPM-Kymmene would be formed in 1996[227]. Nevertheless, the large UPM-Kymmene would still be the ultimate potential risk concentration problem for Merita Bank[228]. This was particularly true if large amounts of capital would be needed e.g. for further expansion through costly acquisitions.

6.1.6 Foreign ownership increasing, Investor demands for shareholder value and share-price-based incentives

Mobilizations. After the removal of the restrictions on foreign ownership in 1993, foreign investors rapidly increased their ownership in Finnish corporations, including the banks and P&P corporations. They increasingly subscribed shares in share issues – like in Metsä-Serla's case in 1993. They also increasingly bought shares on the Helsinki Stock Exchange. Actually, at the same time in the 1990s, there were significant advances in electronic trading and custodianship for securities. This also made it increasingly simple and feasible, on the one hand, for foreign investors to buy and sell shares of Finnish corporations on the Helsinki Stock Exchange and own them and, on the other hand, for Finnish corporations to do the administrative work related to their shares being possibly listed and traded on foreign stock exchanges.[229] For instance, already at the end of 1996, 41.5 per cent of Metsä-Serla was owned by non-Finnish nationals, the figures for UPM-Kymmene and Enso being 37.0 and 15.3 per cent.[230]

In Enso, the share of foreign ownership was lower, as the State had remained its significant owner. However, the attitudes of politicians towards State-owned companies slowly changed in the 1980s and especially in the 1990s: facilitating the business of the companies became more important and privatization became more acceptable. Particularly, the powerful Social Democrat Party became more capitalism-oriented in the 1990s, which made it more possible to decrease the State ownership in companies such as Enso. Still at the end of 1993 and 1994, the Finnish state owned 34 percent of Enso's shares and 52 percent of votes. At the end of 1996, the State owned even more, due to the merger of another state-owned corporation, Veitsiluoto, to Enso: the corresponding figures were 44 percent and 61 percent[231]. But already in 1995, the Finnish Parliament authorized the Council of State to reduce the State's share of ownership and voting rights to one third and, in 1997, the state agreed to convert its shares to ones with less voting rights, letting its share of votes drop to 46 percent[232]. In the following years, the State also planned to sell the rest of its ownership in Enso.

In any case, the new foreign equity investors and shareholders would present increasingly strict demands for the corporations and their CEOs, financial managers, and Directors concerning the creation of shareholder value: the corporations should be managed in a way that would raise the price of their stock and provide large dividends for the shareholders. These kinds of demands were quite new for the managers of the Finnish P&P corporations. Foreign investors also

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[225] Laiho 1998, p. 142.

[226] Kymmene, Press Release, 11.9.1995; Repola, Press Release, 11.9.1995.
       Näsi, Ranta, and Sajasalo 1998, pp. 198–204

[227] Ibid.
       UPM-Kymmene, Press Release, 2.5.1996.

[228] Interviews (with Vainio 22.9.2005)
       Lilius, Anna-Liisa (1996), "UPM-Kymmene ei ole edes tarpeeksi suuri", *Talouselämä*, 59, pp. 18-21.
       Halonen, Panu, Juha Lindfors and Matti Saarikoski (1995), *Kauppalehti*, 28.9.1995.

[229] Interviews (e.g. with Harsu 13.10.2005).

[230] Metsä-Serla Annual Report 1996; UPM-Kymmene Annual Report 1996; Enso Annual Report 1996.

[231] Enso-Gutzeit Annual Reports 1994, 1995; Enso Annual Report 1996.

[232] Enso Annual Report 1997; Helsingin Sanomat, 25.2.1998.

demanded, for instance, that Directors, or members of the Board, as well as top managers, should personally come to own shares of the corporations, or have stock options, as incentives aligning the interests of the managers, Board, and shareholders. Furthermore, new actors which had influence particularly on foreign investors came up. Namely, there was an increasing number of investment analysts paying attention to and analysing Finnish corporations. They also had criteria and demands in relation to which they would analyse the corporations when giving recommendations to investors about potential investments.[233]

Interests in raising foreign equity capital, in creating shareholder value, and in share-price-based incentives since the early/mid 1990s. Recognizing the new UPM-Kymmene as the ultimate risk concentration problem, particularly top managers of Merita Bank – still in the Board of UPM-Kymmene – and top managers of UPM-Kymmene became more interested in having UPM-Kymmene rely less on the bank in financing and letting what remained of the old sphere influence it had on the corporation, based on this reliance, get reduced.

Particularly the CEOs, financial managers, and Directors of the P&P corporations became increasingly interested in raising further foreign credit capital[234]. Nevertheless, they were increasingly interested also in raising new equity capital, especially foreign equity capital, on a large scale, as the restrictions to the level of foreign ownership had been removed in 1993. Raising foreign equity capital would be one translation of financing considerable new investments without falling short of the aspired equity ratio level of about 40 percent. It would also be a translation of financing large acquisitions of foreign corporations in the future. The acquisitions could be partly financed by share operations, making the foreign owners of the acquired company partial owners of the Finnish corporation. And it would be a translation of merging with foreign companies with share arrangements. Of the top managers of the large P&P corporations, only those of Metsä-Serla were less interested in raising foreign equity capital much further. Namely, the majority owner Metsäliitto Cooperative would still have interest in retaining its share of votes clearly above 50 percent and retain its sphere influence[235]. When it came to Enso, its majority owner, the Finnish State, would also be increasingly interested in according with the managers and raising foreign equity capital and letting its ownership stake diminish.

Further, recognizing the investor demands – especially those of the foreign investors but also those of the Finnish shareholders – the CEOs, financial managers, and Directors of the P&P corporations became more interested in creating shareholder value and making the corporations profitable investment targets in the form of providing large dividends to shareholders and increasing the market capitalization by raising the share price of the corporation.

> **Kymmene deputy CEO, Martin Granholm,** *in 1992[236]:*
> …one stakeholder group which, I argue, will be emphasized more than ever in the Finnish business life is owners. Owners have up to now been surprisingly silent. But elsewhere in the world, owners have a different attitude.

> **Enso CEO, Jukka Härmälä,** *in 1997[237]:*
> It is the management's job to ensure that Enso generates the kind of profits that will secure growth in the value of its shares and enable the company to pay dividends.

> **UPM-Kymmene chairman of the Board, Yrjö Niskanen,** *in 1997[238]:*
> Following the merger last year, UPM-Kymmene carried out an extremely thorough review of its

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[233] Interviews (e.g. with Poranen 11.5.2005; Anttila 8.11.2005).

[234] Vahtera, Antti (1990), "Meneekö selluteollisuus puun perässä metsään? Luonnonsuojelijat varoittavat metsäteollisuutta yltiöpäisistä investoinneista" (opinion), *Helsingin Sanomat,* 14.1.1990.

[235] Interviews (with Anttila 8.11.2005).

[236] Virta 1992.

[237] Enso Annual Report 1996.

[238] UPM-Kymmene Annual Report 1996.

strategic and economic targets for the future. The starting point for this review was the company's ultimate business goal: to be a profitable investment for its shareholders.

Metsä-Serla CEO, Jorma Vaajoki, *in 2000*[239]:
Since the summer of 1996, Metsä-Serla has been striving for improved profitability and higher shareholder value.

Interests in setting up top manager incentive systems based on share price since the mid 1990s. Moreover, recognizing the explicit demands by particularly foreign investors and analysts concerning the introduction of such systems, the top managers and owners of the corporations were more interested in setting up incentive systems for the top managers of the corporations that were based on share price, such as stock options. This would also be a translation of creating shareholder value and raising the share price, as the share price would become a personal, income-related objective for top managers.[240]

Mobilizations. Share options were increasingly issued to top managers of the corporations. For instance, in Kymmene, the first modest option program for top managers was introduced already in 1991[241] and in Metsä-Serla in 1994[242]; in state-owned Enso, such a program was first introduced in 1997[243]. Such incentive schemes were also important for retaining talented managers in the corporations in the economic upturn at the end of the millennium, since many companies in other industries, also in Finland, were introducing schemes with favourable outlook. So, in Enso, UPM-Kymmene, and Metsä-Serla each, by 1999 the share option programs had been considerably expanded, both in terms of number of shares involved and in terms of managers included in the programs[244].

Interests in increasing foreign investors' demand for the corporation's shares since the early/mid 1990s. Finally, the CEOs, financial managers, and Directors of the P&P corporations, as well as the existing owners, became more interested in increasing the demand of investors and especially foreign investors for the corporation's shares. Increasing the demand would be one translation of raising the share price, as shares were traded on the market where the price depended on the demand.[245]

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[239] Metsä-Serla Annual Report 1999.

[240] Interviews (with Anttila 8.11.2005);
Tainio Risto (2003), "Financialization of key Finnish companies", *Nordiske Organisasjons-Studier*, 5, 2, pp. 61-86.

[241] Puputti, Mikko (2003), *Strategic perspective on foreign stock exchange listings. The US listing of Nokia, Sonera, UPM-Kymmene and Stora Enso*. Pro Gradu Master's Thesis, Department of Management, Helsinki School of Economics, Helsinki, Finland. p. 53.

[242] Interviews (with Poranen 11.5.2005).

[243] Puputti 2003, p. 63.

[244] Tainio 2003;
Junkkari, Marko (1998), "UPM-Kymmene aloittaa omien osakkeidensa ostot", *Helsingin Sanomat*, 27.3.1998.
Metsä-Serla Annual Report 1999; Stora Enso Annual Report 1998; UPM-Kymmene Annual Report 1998.
UPM-Kymmene, Press Release, 17.2.1997.

[245] Interviews (e.g. with Poranen 11.5.2005; Mynttinen 19.10.2005; Harsu 13.10.2005)

6.1.7 Foreign investors not very aware of the corporation as investment target – Emerging plans to list the corporation's share in foreign stock exchanges

[management interest (in corporate branding) ml#1]

Increasing investor awareness of the corporation as a paper and board company

Interests in increasing investor awareness of the corporation as a paper and board company since the early 1990s. The CEOs and financial managers, as well as corporate communications managers, of the P&P corporations became more interested in increasing investor awareness of the corporations as paper and board companies since the early and mid 1990s. This would be one translation of increasing the demand of the investors and especially foreign investors for the corporation's shares, as investors would have to be aware of the corporation for any demand for the shares to exist. Specifically, the managers became particularly interested in increasing the awareness outside Scandinavia, where the awareness was the lowest. Outside Scandinavia, there would be few institutional investors, such as mutual funds and pension funds, and even fewer private investors that would be aware of the corporation.

Actually, the managers became particularly interested in increasing the awareness of the corporation among the largest institutional investors in the USA, as well as in Europe. They would have considerable capital at their disposal and their awareness could be increased with moderate effort. Also, they could be most willing and able to trade shares of the corporation on the Helsinki Stock Exchange, as well as most willing and able to invest in European or Scandinavian corporations, altogether. Namely, in many foreign countries, nothing but the largest local funds would even be allowed to and/or willing to invest in foreign corporations, such as Finnish ones. There could be laws restricting these kinds of investments or the funds could have set such rules themselves. For instance, local regulations prevented the majority of US funds, among which theoretically most demand for the shares could have been created, from investing in foreign shares not listed on the local stock market. Moreover, in the USA, many funds might have additional rules prohibiting them from investing in ADRs, or American Depository Receipts, meaning that, in practice, they could invest only in corporations based in the USA. The number of such US funds that could buy shares of the corporations on the Helsinki Stock Exchange would be a couple of hundred. And from these, not more than a few dozen would be interested in investing in Scandinavian corporations.[246] Finally, a special case would be the numerous index investors, who made investments according to stock indices: to be accounted in an index usually required a company be among the one or two biggest corporations in its industry and, additionally, a domestic company[247].

Mobilizations. The interest in increasing the investor awareness was somewhat strong, as at the time of the removal of the restrictions on foreign ownership in the early 1990s, the top managers started to make more roadshows to meet the largest foreign investors, banks, and analysts to familiarize them with the corporation. Particularly since the mid 1990s, the top

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[246] Interviews (e.g. with Harsu 13.10.2005; Paajanen-Sainio 30.9.2005; Vainio 22.9.2005; Mynttinen 19.10.2005).

[247] Lilius, Anna-Liisa (1999), "Kauas täältä on päästävä", *Talouselämä*, 28, pp. 18–21.
      Puputti 2003, p. 52; Tainio 2003.

managers frequently traveled abroad to meet investors and analysts e.g. in Scandinavia, Germany, the USA, the UK, Japan, France, Switzerland, Italy, and Spain once or a couple of times a year, usually after interim reports.[248]

The interest in increasing investor awareness was also fairly strong, as the corporations hired particular investor relations managers, working closely with the financial managers and CEOs, giving rise to the formation of particular Investor Relations (IR) function[249]. This also started to occur at the time of the removal of the restrictions on foreign ownership in the early 1990s. At first, IR managers were mainly responsible for answering investors' inquiries. But as the interest in investors increased, they also started to proactively arrange road shows and events where the top managers would meet investors and analysts, traveling abroad themselves to meet them, and taking and keeping contact with them. Soon they also began to arrange telephone conferences for investors and analysts to have discussions with the top managers after the publishing of interim reports. Moreover, thirdly or quarterly magazines about the corporation, directed for shareholders and investors, were also launched and multimedia presentations for investors made.[250] In the late 1990s, the corporations introduced websites directed to potential and existing investors and analysts[251]. Finally, in the early 2000s, the telephone conferences shifted partly to webcasting[252].

Interests in increasing investor awareness – in listing the share on the NYSE since the late 1990s. In the late 1990s, at the time the corporations started to have extensive share option schemes, the CEOs, financial managers, and investor relations managers became more interested in planning and realizing the listing of the corporations on the New York Stock Exchange (NYSE). The listing would be a translation of increasing investor awareness of the corporation in the international market, particularly in the well-functioning and liquid US stock market, and particularly among the smaller institutional investors, as well as private investors.

Moreover, the listing would be a translation of increasing the share liquidity and removing barriers preventing smaller institutional investors and private investors in the US from investing in the share, as the corporation's ADR would be listed in the local stock exchange and the share could be traded in the local exchange, NYSE. Further, the listing would be one translation of increasing the credibility and attractiveness of the corporation as an investment target particularly among US investors and increasing the liquidity of the share and, hence, of increasing the share price relative to American P&P companies listed on the NYSE – the shares of the Finnish P&P were significantly undervalued in terms of the price to earnings ratio (P/E) relative to the American corporations.[253]

Moreover, beyond the interest in increasing the share price *per se*, the listing would be a translation of the particular interest in obtaining production capacity in the world's largest market of paper and board consumption (see section 6.4.2), and obtaining this by acquisitions and mergers rather than building capacity (see also pp. 134, 218), as the share price would rise relative to the share prices of the American companies. The higher the share price relative to those of the American companies, the less expensive a stock-based acquisition or merger would be for the corporation and its existing shareholders. Also, the listing would be a

[248] Interviews (e.g. with Harsu 13.10.2005; Paajanen-Sainio 30.9.2005);
       Munter, Sami (2000b), "Ylös", *Stora Enso Global*, Joulukuu, p. 8.
[249] Interviews (e.g. with Poranen 11.5.2005; interview with Harsu 13.10.2005).
[250] Interviews (e.g. with Harsu 13.10.2005; Paajanen-Sainio 30.9.2005; Poranen 11.5.2005).
[251] Ibid.
       Anon. (1997), "Metsä-Serla enters the Internet era", *Metsä-Serla News*, 2.
[252] Interviews (e.g. with Harsu 13.10.2005; Paajanen-Sainio 30.9.2005).
[253] Interviews (e.g. with Vainio 22.9.2005; Harsu 13.10.2005); Puputti, pp. 50–52.

translation of the interest in increasing customer awareness of the company as a paper and board supplier (see p. 228). In addition, the listing would be a translation of increasing both investors' and customers' confidence in the corporation, as the corporation and its activities would come to be under the scrutiny of the US financial market authority, the Securities Exchange Commission (SEC). And it would also be a translation of raising inexpensive debt capital from the bond market and substituting bond financing for loan financing, as the largest bond investors' rules required US listing for their investments and as the NYSE listing would also enable the corporation to receive debt ratings from the two largest rating agencies, Standard&Poors and Moody's, which would mean cheaper outside capital through international bond issues.[254] Without the listing, the corporation could receive financing from international bond investors only through private placements, which would not likely provide the corporation with desirable interest rates[255].

Interests in increasing investor awareness – in obtaining production capacity in the USA since the late 1990s. Actually, the CEOs, financial managers, and investor relations managers also became more interested in obtaining production capacity in the USA, particularly by way of mergers and acquisitions, as one translation of increasing investor awareness of the corporation (see also pp. 134, 218). Having their own production capacity and, thus, stronger presence in the USA, would increase the awareness through e.g. increased media coverage. Acquiring or merging with established companies could increase the media coverage and awareness strongly at once. Moreover, obtaining production capacity in the USA, particularly by way of mergers and acquisitions, would be one translation of listing the share of the corporation in the local stock exchange (see above), as the listing would be more credible for a company having considerable production capacity and presence in the USA.

Mobilizations. The above interests in listing the share on the NYSE and in obtaining production capacity in the USA were strong, as UPM-Kymmene's share was listed in 1999[256]. The interests were strong also in February 2000, as the corporation announced the acquisition of Champion International (see also pp. 134, 218), to be financed with its own stock[257]. However, later in the spring International Paper made a competitive offer to Champion International's owners. UPM-Kymmene's top managers eventually considered the offer too high to be countered and gave up on the acquisition plans[258], as the corporation additionally received 230 million euros in compensation from Champion for the termination of the merger agreement[259]. Besides, although the share was listed on the NYSE, two years after the listing, there was, according to the top managers, still a gap of 20-40 percent in the valuation of UPM-Kymmene relative to American companies[260].

The above interests related to listing the share on the NYSE and in obtaining production capacity in the USA were also strong, as Stora Enso's top managers considered listing the company on the NYSE already at the time of the merger of Enso and the Swedish STORA in 1998. However, the listing decision was eventually not made until the corporation made the decision to acquire the American company Consolidated Paper in February 2000[261]. The acquisition would be financed with a combination of Stora Enso's stock and cash. Unlike UPM-Kymmene with the acquisition of Champion International, Stora Enso was successful in its

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[254] Puputti 2003, pp. 60–62; Tainio 2003.
[255] Puputti 2003, p. 79.
[256] UPM-Kymmene, Press Release, 29.4.1999.
[257] UPM-Kymmene, Press Release, 17.2.2000.
[258] UPM-Kymmene, Press Release, 12.5.2000.
[259] UPM-Kymmene, Interim Review January-June 2000.
[260] Lilius 1999.
[261] Stora Enso, Press Releases, 22.2.2000, 28.8.2000, 13.9.2000.

acquisition effort, albeit that the corporation had to use more cash than planned, could use less of its own stock, and obtained a lower number of US owners than anticipated, largely since Stora Enso's share price fell during the offer process[262]. The share was listed on the NYSE in September 2000[263]. However, like the share of UPM-Kymmene, in the coming years, the share price remained at a rather low level relative to the US corporations: the gap diminished only a little. Also, the level of trading on the NYSE remained low for both companies, at only a few percent of the total turnover. Most large institutional investors would continue to trade on the Helsinki Stock Exchange, where they would have the lowest transaction costs[264].

Actually, the stock listing on the NYSE, as well as the acquisitions as such, made US institutional investors, also smaller ones, somewhat more aware of the corporations. On the other hand, the interest in increasing the investor awareness further was strong, as after the listings, the top managers and investor relations managers started to meet with investors in the US much more frequently than before[265].

Furthermore, the increasing size of the corporations making mergers and acquisitions (see also p. 226) also made them more interesting to investors. The acquisition of Consolidated Papers made Stora Enso the world's second-largest company in the P&P industry. After UPM-Kymmene had acquired Blandin Paper Company in the US (1997), Repap Enterprises Inc. in the US (2000), and G. Haindl'sche Papierfabriken KgaA (Haindl) in Germany (2001), it was among the top five companies, too. Investors and analysts following the industry could simply not neglect these top corporations. For instance, in telephone conferences for investors and analysts, Enso had had about 20 participants before the merger with Stora. After the merger, there were about 50 participants. And after the acquisition of Consolidated Papers, the number of participants grew to over 100.[266] Finally, Metsä-Serla had also grown among the top 15, after the acquisitions of Kyrö in Finland (1995), Biberist in Switzerland (1996/1997); Simpele in Finland from UPM-Kymmene (1997); UK Paper in the UK (1998/1999); and particularly of Modo Paper in Sweden (2000) and Zanders in Germany (2000/2001) (see also p. 199). With those acquisitions, it also began to be large enough to be taken seriously into account, at least when it came to investors and analysts in Europe.

Interests in increasing investor awareness – among smaller investors since the late 1990s. By the 2000s, the CEOs, financial managers, and investor relations managers also became more interested in increasing the awareness of the corporation among smaller foreign institutional investors. This would be a translation of increasing the awareness of those investors whose level of awareness of the corporations was still fairly low.

Finally, the managers also became more interested in increasing the awareness of the corporation among foreign private investors since the end of the1990s and the early 2000s. This would be a translation of increasing the awareness of those investors who were still the least aware of the corporation. They would likely become more and more willing to invest in shares listed on the stock exchanges in countries other than their own home countries, as there would be further advances in electronic trading and custodianship for securities.[267]

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[262] Kauppalehti 12.9.2000.

[263] Stora Enso, Press Release, 13.9.2000.

[264] Interviews (e.g. with Vainio 22.9.2005);
     Puputti 2003. p. 62.

[265] Lilius 1999.

[266] Interviews (e.g. with Harsu 13.10.2005).

[267] Interviews (e.g. with Harsu 13.10.2005; Mynttinen 19.10.2005);
     Munter 2000b.

Mobilizations. The interests in increasing the awareness of the corporations among smaller institutional investors and private investors were somewhat strong, as the corporations planned and realized listings on foreign stock exchanges such as the NYSE[268]. The interests in increasing the awareness were fairly strong also, as the corporations introduced and developed their websites since the late 1990s[269]. Moreover, the interests were strong, as Stora Enso and UPM-Kymmene began, after the listings to NYSE, to participate in some large investor fairs and some smaller ones in the USA, too[270].

6.1.8 Investor demands for fair treatment of minority shareholders and on Board composition – Dissolution of capital sphere influence

Mobilizations. Not only would the new foreign investors and shareholders, as well as investment analysts, present increasingly strict demands concerning the share price and large dividends for the shareholders, but they would also present increasingly strict demands concerning the corporate governance model of the Finnish P&P corporations, particularly since the mid 1990s. They demanded that the corporate governance model accord with the Anglo-Saxon model. As part of the governance model, top managers and existing owners of the corporations would have to make a commitment to a new kind of fair treatment of minority shareholders, instead of heavily prioritizing the interests of the dominant shareholders controlling the spheres.[271] This would be particularly demanded from Metsä-Serla, still dominantly owned by the forest-owners' cooperative, and from Enso and later Stora Enso, of which the Finnish State owned a large share, but also from UPM-Kymmene, which still had Finnish insurance companies and banks as significant owners. Boards of Directors would have to be made to consist predominantly of independent members. Having predominantly independent members would mean that the managers of the corporation should generally not be Board members. It would also mean that the representatives of any shareholders should not dominate the Board extensively, neither should the powerful individuals of the earlier spheres or, in general, managers of other companies with which the corporation would have a significant collaborative (customer) relationship. Later in the late 1990s, there were demands for the nomination of professional expert members to the Boards, too. Also, Board membership duration would have to be shortened from the traditional appointments of several years or even decades. And members of the Board, as well as top managers, should personally come to own shares of the corporations, or have share options, as incentives aligning the interests of the top managers, Board, and shareholders.[272]

Interests in further dissolution of the capital sphere influence in the mid and late 1990s. Recognizing investors' and analysts' demands, especially those of foreign investors but also those of the Finnish ones, concerning the Anglo-Saxon governance model and particularly the fair treatment of shareholders and the composition of the Boards, the CEOs, financial managers, and Directors of the corporations, as well as the significant owners, became more interested in dissolving what remained of the old spheres' influence since the mid 1990s. This would be a translation of meeting both the demands of those investors already as

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[268] Interviews (e.g. with Vainio 22.9.2005; Harsu 13.10.2005);
        Munter 2000b
[269] Interviews (e.g. with Harsu 13.10.2005).
[270] Ibid.
[271] Tainio and Lilja 2003;
        Interviews (e.g. with Vainio 22.9.2005; Harsu 13.10.2005).
[272] Interviews (e.g. with Vainio 22.9.2005; Harsu 13.10.2005; Poranen 11.5.2005).

shareholders, those potentially becoming shareholders in the raising of equity capital, and those potentially becoming shareholders by purchasing the shares in the market. Eventually, it would be a translation of increasing demand for the share of the corporation and increasing the price, as the demand and price would depend on how the demands of the investors and analysts would be met.

Moreover, also the top managers of Merita Bank, particularly, were more interested in reducing the bank's ownership stake in UPM-Kymmene and letting what remained of the old sphere influence based on this ownership, get reduced. This would be a translation of meeting the demands of Merita Bank's own investors and shareholders, especially foreign, related to shareholder value. They would largely demand that investments in ownership stakes of corporations should not be retained if the main objective in the ownership was not maximizing return on the investment but e.g. only ensuring the continuance of the important customer relationships or power positions[273]. The State, too, was more interested in reducing its ownership stake in Enso and letting what remained of the old sphere influence it had on the corporation, based on this ownership, get reduced.

Interests in further raising foreign capital in the mid and late 1990s. Particularly for the CEOs and financial managers of the P&P corporations, raising *foreign* debt capital and foreign equity capital – in which they were also otherwise increasingly interested (see p. 123) – were also translations of having the corporations rely less on the financing and doing away with what remained of the old sphere influence of Finnish banks or the State. Particularly for the managers of UPM-Kymmene, it would be a translation of doing away with what remained of the old sphere influence of Merita Bank. For the managers of Enso, it would be a translation of doing away with what remained of the old sphere influence of the State. Doing away with what remained of the old sphere influence, in turn, would be one translation of meeting demands of investors and analysts related to the corporate governance model and the fair treatment of shareholders. Nevertheless, meeting these demands of investors and analysts would, on the other hand, be one translation of the interest in potentially raising foreign equity capital itself.

Mobilizations. In the mid and late 1990s, the interests in introducing the Anglo-Saxon corporate governance model and doing away with what remained of the old sphere influence were strong, as the corporations communicated commitment to fair treatment of minority shareholders. They were strong, as Boards of Directors were made to consist predominantly of independent members. The interests were strong, as professional expert members were nominated to the Boards, too.[274] For instance, UPM-Kymmene nominated, in 1999, to its Board a top manager of an international consumer goods company, Unilever, and an owner-partner of an international law firm[275]. Stora Enso, in turn, nominated a top manager of the global consumer goods company Procter&Gamble and a top manager of Deutsche Bank to its Board in 1998[276]. Moreover, the interests were strong, as Board membership durations were shortened from the traditional appointments of several years or even decades and as more extensive stock option schemes were introduced. Finally, the interests in further raising foreign capital were somewhat strong, as foreign credit capital was increasingly raised and equity capital was used to finance e.g. acquisitions and mergers – decreasing the importance of credit and equity capital of the Finnish banks and the State.

On the other hand, the interests in letting what remained of the old sphere influence Merita Bank had on UPM-Kymmene get reduced were fairly strong, as Merita reduced its ownership in

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[273] Interviews (with Vainio 22.9.2005).

[274] Tainio 2003.

[275] UPM-Kymmene Annual Report 1999.

[276] Stora Enso Annual Report 1998.

UPM-Kymmene after the merger of Kymmene and UPM. In 1996, Merita Bank's ownership was still above 3 percent and together with its related institutions, such as pension funds, it owned over 5 percent of the corporation. At the end of 1997, the same figures were 0.7 and 2.0. During 1998, the bank reduced its ownership practically to zero. By the end of 1999, the related institutions did not own more than one percent, either. Furthermore, during the same time, between 1996 and 1999, the insurance company groups that had been closely related to SYP and KOP in the spheres, also reduced their ownership from about 15 percent to about 8 percent[277]. Similarly, the interests in letting what remained of the old sphere influence the government had on Enso get reduced were fairly strong, as the State reduced its ownership in the late 1990s. In 1995, the Finnish Parliament authorized the Council of State to reduce the State's share of ownership and voting rights to one third, and in 1997 the state agreed to convert its shares to ones with less voting rights, letting its share of votes drop to 46 percent[278]. In June 1998, the Parliament then abolished the provision requiring the State to hold a one-third interest in Enso, making it possible for Enso to merge with the Swedish STORA. The merger reduced the share of ownership to 18 percent and share of votes to 22.[279] In the following years, the State also planned to sell the rest of its ownership in the corporation.

Summarizing some of the merger & acquisition and sphere developments in the 1990s, Figure 6 illustrates the important mergers and acquisitions of the Finnish P&P corporations between 1990 and 1998 (excluding foreign acquisitions) and Figure 7 the situation in 1999. In 1999, there remained basically only UPM-Kymmene and Stora Enso and the allied Metsä-Serla and Myllykoski as the Finnish P&P corporations (see section 6.3.4 for the alliance; see also p. 137 for UPM-Kymmene divesting the metal industry business Rauma). Note that in Figure 7, joint ventures between the corporations are left unillustrated: particularly Metsä-Botnia and Kemi, which were still jointly owned by UPM-Kymmene and the agri-capital sphere and Metsä-Serla. On the other hand, UPM/Repola or UPM-Kymmene had got rid of the agri-capital sphere as its significant owner, so that UPM-Kymmene was not much attached to this sphere any more. Moreover, the influence of the banks and the State had largely dissolved, whereas the influence of the agri-capital sphere on Metsä-Serla remained.

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[277] UPM-Kymmene Annual Reports 1996, 1997, 1998, 1999.

[278] Enso Annual Report 1997; Helsingin Sanomat, 25.2.1998.

[279] Stora Enso Annual Report 1998.
   Stora Enso Annual Report 1999.
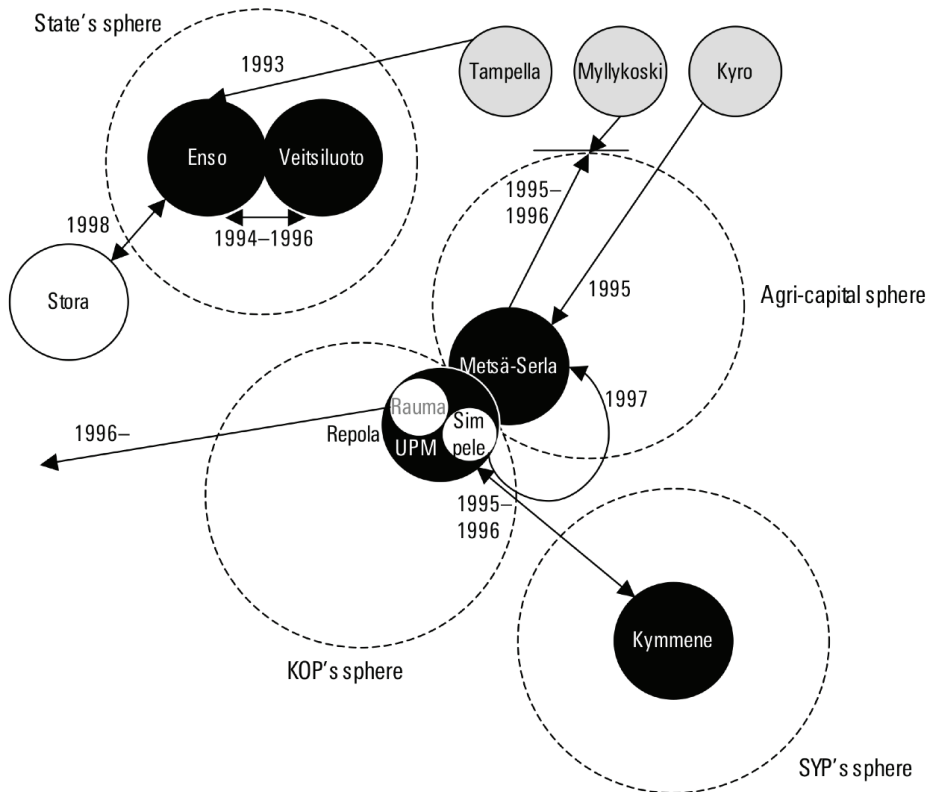
Figure 6: Mergers and acquisitions of Finnish P&P corporations in 1990–1998 (in Finland).
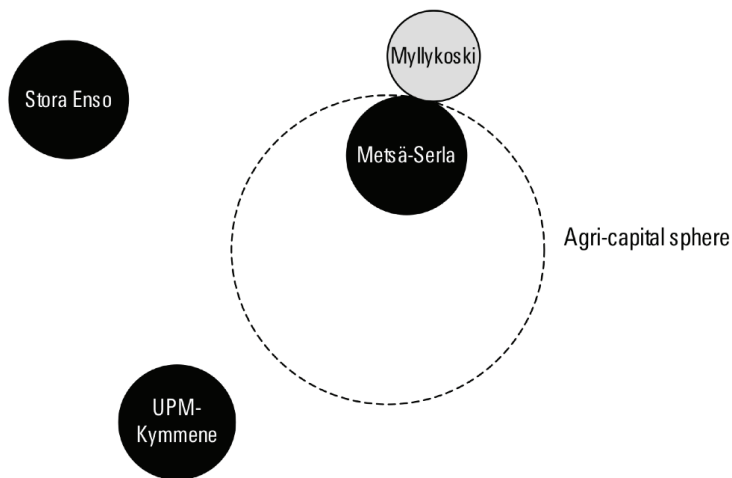
Figure 7: Finnish P&P corporations in 1999.

6.1.9 Investor demands for disclosure of information, for clear objectives and policies for financials, and for clear strategies

Mobilizations. Beyond the corporate governance model and doing away with the old sphere arrangements, investors and analysts would present rather strict demands concerning

communication and the disclosure of information. Communication and disclosure of information would have to be made far greater than before. Financial information would have to be calculated and reported on a quarterly basis and according to internationally accepted standards already by the mid 1990s. But a particularly new demand for the top managers was the calling for formulation and communication of a clear strategy with clear objectives and policies, including objectives and policies for key financial figures and capital budgeting. Still at the beginning of 1990s, these had not been much communicated outside the corporations. Actually, there had not even been well-defined objectives and policies for key financial figures and capital budgeting. Further, when the strategies, policies, and objectives would be set and communicated, the investors and analysts would naturally demand the management to be consistent with them; if there were deviations, top managers would have to justify the deviations carefully and with convincing arguments.

> **Stora Enso investor relations manager,** *retrospectively:*
> The management started to really take investors and analysts into account and adopted this shareholder value thinking in about 1994-1996. The foreign investors taught this to us, the American ones particularly. The executive board had to sit down and think what this all meant. They had to set target values for key figures, clear business strategies. Taking the investors into account and thinking about them created a lot of strategic thinking which changed the ways of managing. The investors had a very big impact on the managers and increased the target-orientation of management considerably. Also, we had to communicate the strategies and targets clearly and be able to justify them.

When it comes to key financial figures, it was demanded that the top managers set and communicate target levels for e.g. return on investment, economic value added, equity, debt-to-equity or gearing ratio, and share of dividends of the earnings.[280]

Demands for setting and communicating the target levels for key financial figures related, in turn, closely to demands for setting and communicating policies of capital budgeting. Besides the demand for a large proportion of earnings to be paid as dividends, in the late 1990s, there started to be demands for the corporations to make share repurchases, or buy back its own shares in the market. This became possible in Finland in the autumn of 1997 due to a change in legislation. Particularly foreign investors could prefer share repurchases over dividends because they would, in theory, obtain the same value in the form of higher share price but would not have to pay additional source taxes like on dividends.

On the other hand, there were very strict demands for keeping the level of investments low. Analysts and investors had highly skeptical attitude towards investments. They were very aware of the tendency of P&P companies to make over-investments, particularly in upturns – like at the end of the 1980s.[281] The eagerness to make investments in building new paper machines during upturns when demand growth prospectives were promising would often mean that several machines became ready in a couple of years – in the middle of downturn. Since many companies would make investments in similar machines, the market would eventually suffer from considerable overcapacity, which would pressure prices down and eliminate future returns on the investments and ruin their profitability. The situation of an individual corporation would be worsened had it raised a large amount of debt to finance the investments: the interests would create a significant cost burden, further detracting from the earnings. So, investors would often react to investment announcements by becoming disappointed and selling shares of the

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[280] Interviews (e.g. with Harsu 13.10.2005; Paajanen-Sainio 30.9.2005).

[281] Syrjälä, Johanna (1995), *Teollisuustuotteen lanseerauksen markkinointimixin ja tämän testauksen merkitys metsäteollisuustuotteiden menestymisessä: Case-tutkimus Enso-Gutzeit Oy:stä*, Pro Gradu Master's Thesis, Department of Marketing, Helsinki School of Economics and Business Administration, Helsinki, Finland. p. 10.
Luukka, Teemu (1995), "Pörssissäkin suuri on kivempi kuin pieni", *Helsingin Sanomat*, 17.9.1995.
Seppänen, Pekka (1995), "Vuonna 2000 kaikki on taas pilalla", *Talouselämä,* 28, pp. 18-22.
Baer, Katarina (1998), "Metsäteollisuus painii ylituotannon kanssa", *Helsingin Sanomat,* 8.8.1998.
Tainio 2003.

corporations, which would make the share price fall – they would rather see the cash to be used for paying dividends. For instance, when UPM announced it would build a large paper machine in Rauma in 1995, the share price of Repola, whose part UPM was at the time, fell significantly, actually drawing down the share prices of Enso, Kymmene, and Metsä-Serla, too.

> **UPM manager, Mainio Vainio** *in 1995 (after UPM's announcement of new machine investment and fall in share price)*[282]:
> Behind [the fall in the share price], there's the fear that the industry again invests itself sick. Partly it happened at the turn of the decade: when the recession came, the investments were in our laps. Now the [foreign] analysts fear that the situation will repeat itself, again.

> **An Investment analyst for Scandinavian companies at Barclays Bank** *in 1995 (after UPM's announcement of new machine investment and fall in share price)*[283]:
> The stock market is very allergic to investments and it is generally pondered if the boom period is over or not… There's the fear that others run to make investments, too, after UPM.

The demands for setting and communicating policies of capital budgeting were closely related to demands for setting and communicating clear strategies, too, particularly when it comes to growth strategy. First of all, investors and analysts demanded clear strategies of how the corporation would grow in the future. But the policy for low investments meant that there was demand for the growth strategy to be based mainly on mergers and acquisitions. Managers should minimize investments in new machines and capacity and grow through acquiring existing capacity. This way capacity on the level of the entire market would not increase and overcapacity would not become a problem.

> **Stora Enso investor relations manager,** *in 1998*[284]:
> [*The most important factor explaining the low share prices is the reputation of the forest industry as reckless investor. If a corporation has earned a billion, it goes right away to spend two billions on new machines. Large investors do not yet believe that the contemporary managers would be wiser than the honorary mining counselors of the regulated era*:]
> The investors I meet are always worried about whether we stay on the right path. Forest industry has to gather confidence still for some time because there should not be explosion in new investments...
> When there have not been any [mergers or acquisitions] for a couple of months after the merger announcement of Stora and Enso, they [investors] think that there has been a stop now. When the corporations are strong in cash, investors start to expect large investments instead of mergers. They fear that the engineers get the money to their disposal.

Having and communicating clearly a growth strategy based on mergers and acquisitions would thus be an additional new and rather strict demand of analysts and investors.

Interests in disclosure of information, in clear objectives and policies, and in clear strategies since the mid 1990s. Recognizing the new investor demands, since the mid 1990s, the CEOs, financial managers, investor relations managers, and corporate communication managers of the P&P corporations became more interested in extensively disclosing information according to international standards, setting and communicating clear objectives and policies for key financial figures and capital budgeting, and having and communicating clear strategies, including a clear growth strategy based on mergers and acquisitions. This would be a translation of meeting both the demands of those investors already as shareholders, those potentially becoming shareholders in the raising of equity capital, and those potentially becoming shareholders by purchasing the shares in the market. Accordingly, it

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[282] Iivonen, Jyrki (1995), "Yhtyneiden jätti-investointiin suhtauduttiin happamasti – pörssikurssit notkahtivat. Sijoittajan sielua hoidettu väärin", *Helsingin Sanomat*, 31.8.1995.

[283] Ibid.

[284] Iivonen 1998.

would be a translation of increasing demand for the shares of the corporation and raising the price.

Mobilizations. The interest in meeting demands of analysts and investors related to the extensive disclosure of information according to international standards was strong, as the corporations started to calculate financial information on a quarterly basis according to internationally accepted standards and publish quarterly interim reports by the mid 1990s[285]. The interest in meeting demands related to setting and communicating clear objectives for key financial figures was strong, as typical target levels were set as follows: 12–15 percent for return on investment, a positive value for economic value added, a minimum of 40 percent for equity ratio, a maximum of 0.8 for debt-to-equity ratio, or a maximum of 100 percent for gearing ratio, and 30–50 percent of the earnings paid as dividends[286]. The interest in meeting demands related to setting and communicating clear policies for capital budgeting were strong, as the corporations increasingly emphasized that low level of investments would be maintained and cash used to generous dividends and repurchases of own shares and acted accordingly. For instance, UPM-Kymmene bought back 10 percent of its existing stock in 1998–2000. It was also increasingly emphasized that investments would focus on maintaining or replacing old paper machines, not building new ones and that investments would be financed using cash flow and divestiture proceeds, rather than by taking loans.[287] Moreover, in case the managers seemingly made deviations from the policies, they would increasingly attempt to justify the deviations with carefully crafted arguments.

> **Stora Enso investor relations manager,** *retrospectively:*
> The investors and analysts had a strong influence on the corporations' investment discipline and played a part in the managers adopting a policy of low level of investments. Management had to get used to that, which meant that any investments had to be justified with good arguments.

For instance, in the above mentioned investment case of UPM, or Repola:

> **An investment analyst** *in 1995 (after UPM's announcement of a new machine investment and a fall in share price)* [288]:
> [*The most experienced forest industry analyst of Finland, Carnegie's Hannu Angervuo thinks that Repola should blame itself for the fall in the share price, since UPM neglected sharing information to investors*] It's not enough that the mill manager Yrjö Olkinuora arranges a small press conference for local newspapers in Rauma. There should be wider and more detailed communication about an investment of over two billion marks. They should have communicated that the investment does not cause downturn, does not lead to overcapacity and does not cause a drastic fall in paper prices. This way the fall in the share price would have been smaller… [Angervuo thinks that investors do not understand what kind of moneymaker the new machine of 400,000 tons of LWC paper will be.] Investors should be told about the financing of the investment, its payback time, and its effect on utilization rates… I personally expected a fall in share price, albeit not ten percent. There was no reason for that radical a reaction, but it is so that the fearful animals of the creation are the rabbit and the investor.

> **Enso financial manager (executive), Esko Mäkeläinen,** *in 1995 (after UPM's announcement of a new machine investment and a fall in share price)* [289]:
> [*Enso's CFO explains the fall in share prices with the events at the turn of the decade, which*

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[285] Interviews (e.g. with Poranen 11.5.2005).

[286] Mynttinen, Veli-Matti (1999), (editorial), *Insight,* 2, p. 3.
        Anon. (c) (1999), ″Metsä-Serla Specializes in demanding end-use applications″, *Insight,* Millennium, pp. 20–22.
        Marsio, Riitta (1999b), ″Strategia on yhtiölle kuin peräsin laivalle″, *Stora Enso Global,* Toukokuu, pp. 24–25.
        Stora Enso website, ″Financial targets″, http://www.storaenso.com/CDAvgn/main/0,,1_-1745-1186-,00.html (Accessed 1.11.2005).
        Metsä-Serla, Press Release, 9.12.1999; Stora Enso, Press Release, 20.8.1999.

[287] Puputti 2003, pp. 56–57, 67.
        UPM-Kymmene, Press Releases, 17.2.1997. 26.3.1998, 3.7.1998.

[288] Iivonen 1995.

[289] Ibid.

wounded investors' souls.] We have tried to calm down investors by recommending that they study how many new machines were built then and how many machines have been ordered now. The new machines come to the Nordic countries and normal growth in demand absorbs the increase in supply rapidly.

Furthermore, the interest in meeting the investor and analyst demands related to having and communicating a clear growth strategy based on mergers and acquisitions was strong, as, in the late 1990s, the corporations grew and obtained additional production capacity by mergers and acquisitions, rather than by building new capacity, and emphasized this as their strategy. The interest was strong, as at times the strategy was to some extent followed even if it was not necessarily optimal business-wise:

> **Stora Enso line manager (executive),** *retrospectively:*
> For instance, if we or one of the other large corporations decide to build a new fine paper machine, the share price goes down and the analysts blame us for being irresponsible in increasing capacity so that the market won't be able to take it and prices will go down. So, we won't build anything and drive our machines old. Then one of the mid-sized companies succeeds in growing and makes an investment. The company's debt burden goes up and in the next slump, the company goes down and one of the large corporations has to acquire it. Then the analysts will applaud that it's damn good that there is consolidation, that you bought up one company. But note that then we have the same new machine in our assets — the only problem is that it's likely to have been built to produce the wrong paper grade, located in the wrong place, and badly built… This is one dilemma created by the analysts, investors, and the quarterly economy. How to adapt to it and still not fall because of it?

6.1.10 Investor demands for clear and focused product and business portfolio strategies

Mobilizations. When it comes to clear strategies, one additional area where analysts and investors presented demands for having and communicating clear strategy concerned the product and business portfolios of the corporations. Since the mid 1990s, the analysts and investors increasingly demanded that the risk associated with the ability of the corporations to create value to them in their various businesses would be as easily analyzable as possible. Then the investors could themselves better analyze the risks and would not have to rely so much on the top managers doing or not doing the analysis on their behalf. They would also know better what level of return to demand on their investment, as an appropriate level demanded would depend on the risk level of the investments the corporation would have in different businesses. So, the analysts and investors demanded that the corporation communicated to them clearly what products it would be producing and what businesses it would be in. The corporation should have a clear product and business portfolio strategy. Further, it was demanded that the corporations would focus on rather few products or product groups and businesses. The corporation should have a focused product and business portfolio strategy, or a portfolio focusing on core products and businesses. Also this would make it easier for the analysts and investors themselves to analyse and decide the risk associated to the ability of the corporation to create value to them, as the corporation would have less diversified businesses[290]. On the other hand, focus on core products and businesses would also mean that resources would be concentrated on supporting and growing those businesses in which the corporation would have the best chances of creating shareholder value and return on capital — not wasting the resources in other businesses.

290 Siitonen, Silja (2003), *Impact of globalisation and regionalisation strategies on the performance of the world's pulp and paper companies.* Doctoral Thesis, Helsinki School of Economics, Helsinki, Finland. p. 85.

> Representative of Tiger Management, a US investment fund coming to own over 10 percent of UPM-Kymmene's shares in 1998, *in 1999*[291]:
> Growing shareholder value is not a one-off objective but a way of managing. It has to be continuous and systematic and concentrate on making the use of capital more efficient. It leads the corporation to focus on its core businesses.

The analysts and investors could recognize, in the mid 1990s, that the corporations already focused their portfolios heavily on paper and board production. Considerable investments were being made only to paper and board businesses and to support and grow particularly them, partly with the help of the case obtained from the divestments of other businesses. They recognized also that the corporations had already made considerable divestments since the 1980s. For instance, Kymi, or Kymmene had sold its petrochemical business and brick factory in 1981, metal industry business in 1986–1987, air conditioner business in 1984, printing business gradually in 1984–1989, and chemical business at the beginning of 1990[292]. Enso had, by the beginning of the 1990s, sold its ships, parts of its energy production and power lines, and plywood and veneer production and house manufacturing[293]. Nevertheless, the analysts and investors demanded that the corporations and their top managers had and communicated still clearer and more focused product and business portfolio strategies. For instance, analysts and investors demanded, since the early 1990s, that Repola would separate its metal industry business (Rauma) from the P&P industry business (UPM)[294].

[management interest (in corporate branding) mI#2]

Communicating a clear and focused portfolio of core products and businesses to investors and analysts

Interests in communicating a clear and focused portfolio of core products and businesses to investors and analysts since the mid 1990s. The CEOs, financial managers, investor relations managers, and corporate communications managers of the P&P corporations became more interested in having and communicating clear and focused portfolios of core products and businesses to investors and analysts, particularly since the mid 1990s. This would be one translation of meeting investor and analyst demands of having a clear product and business portfolio strategy and a portfolio strategy focusing on core products and businesses. Particularly having a focused portfolio of core products would also be a translation of focusing on supporting and growing those businesses in which the corporation would have the best chances of creating shareholder value and return on capital, of not wasting the resources in other businesses, and even of obtaining cash from divesting the latter, which could be invested in the former.

Mobilizations. The interests in having and communicating clear and focused portfolios of core products and businesses to investors and analysts were strong, as the corporations made further divestments in the mid 1990s[295]. UPM-Kymmene had been born from the 1996 merger of Kymmene and the conglomerate corporation Repola formed in 1990, consisting of UPM's

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[291] Lilius 1999.

[292] Ojala 2001, pp. 42-45; Ojala and Lamberg 2006.

[293] Ahvenainen 1992, p. 688; Lamberg 2006.

[294] Nurmi 1994.

[295] Tainio and Lilja 2003; Lilius 1999; Puputti 2003; Näsi, Lamberg, Ojala, and Sajasalo 2001.
Puranen, Anne (2000), *Suomalaisten metsäteollisuusyritysten kansainvälistyminen vuosina 1994-1999: Liiketoiminnallisen kehitysuran ja omistajuuden näkökulma.* Pro Gradu Master's Thesis, Department of Organization and Management, Helsinki School of Economics, Helsinki, Finland.
Salonen, Janne (1998), "UPM-Kymmene's möjlighetsfönster", *Forum för ekonomi och teknik,* 7–8, pp. 33–35.

paper business and Rauma's metal industry business. After the merger, UPM-Kymmene soon started to divest the metal industry business[296]. The chemical business (Finnish Chemicals, Finnminerals) was sold by 1996, yacht manufacturing in 1998; production of special non-linting air-laid paper for hygiene products, table settings, and industrial wipes (Walkisoft) in 1999 and stationery production (UPM Stationery) in 1999[297]. Share holdings in public companies such as in Nokia as well as share holdings in energy companies and some real estates were sold[298]. Enso (later Stora Enso), in turn, divested forest chemical businesses, the carbonless copy paper business, and the specialized fine paper mills of Tervakoski and Dalum in the late 1990s. In 2000, Stora Enso sold the main part of its power assets[299]. Metsä-Serla, in turn, sold its saw business in 1995 and chemical business in 1996. It was also planning to divest its tissue paper business, formed a corporation of it, Metsä-Tissue, and listed it on the stock exchange in 1997.[300]

The interests in having and communicating clear and focused portfolios of core products and businesses to investors and analysts were also strong, as particularly Stora Enso sold forests in its ownership. Enso owned extensive forest land in Finland, after the merger with STORA even more in Sweden, and after the acquisition of Consolidated Papers in the USA and Canada as well. UPM-Kymmene and Metsä-Serla did not own extensive forest land. In Finland, Stora Enso transferred its Finnish forests to Tornator forest company and sold the majority of its shares to Finnish institutional investors in 2002[301]. At the same time, in North America, over hundred thousand hectares of forest land were sold. In 2004, Stora Enso transferred its Swedish forests to a company whose majority was sold to institutional investors and sold more forest land in North America[302].

Moreover, the interests in having and communicating clear and focused portfolios of core products and businesses to investors and analysts were strong, as the managers continuously, and particularly when divestments were made or investments in paper or board production were made, emphasized to investors and analysts that their core businesses were in printing and writing papers, and, in case of Stora Enso and Metsä-Serla, also in packaging boards and packaging. Further, the interests were strong, as the managers emphasized a focus within these businesses. Metsä-Serla, in particular, emphasized to investors and analysts that it would focus especially on coated fine papers and boards, as well as packaging boards and packaging. On the other hand, the managers of UPM-Kymmene and Stora Enso tried to emphasize that their portfolios were clear and focused and the products very related, even if they produced a wide variety of different papers including e.g. standard newsprint, uncoated and coated magazine papers, fine papers, and packaging boards. For instance, the CEO of UPM-Kymmene talked about a "focused multi-division concept" in the late 1990s and early 2000s[303].

Finally, the interests in having and communicating clear and focused portfolios of core products and businesses to investors and analysts were strong, as the the managers

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[296] Puranen 2000; Puputti 2003;
UPM-Kymmene, Press Releases, 10.4.1997, 6.5.1997, 17.11.1998.

[297] Puranen 2000; Puputti 2003.
UPM-Kymmene, Press Release 6.4.1998, 15.7.1999, 30.9.1999

[298] Puranen 2000; Puputti 2003;
UPM-Kymmene, Press Releases, 25.6.1997, 8.7.1999

[299] Puranen 2000; Puputti 2003;
Stora Enso, Press Release, 17.4.2000.

[300] Puranen 2000; Puputti 2003; Näsi, Lamberg, Ojala, and Sajasalo 2001.

[301] Jeffreys, Janie (2002), "Stora Enso´s growth strategy continues – Jukka Härmälä, CEO", *Paperi ja Puu – Paper and Timber,* 84 (6), pp. 368–371.
Stora Enso, Press Release, 16.5.2002.

[302] Stora Enso, Press Release, 18.3.2004.

[303] Puputti 2003, p. 54.

increasingly attempted to articulate good justifications for seemingly not so focused product portfolios. For instance, when it comes to paper products, a "somewhat wide product palette" could be justified e.g. with an objective of "making earnings less cyclical"[304]. Being in the mechanical forest products business with timber products, in turn, could be justified by emphasizing that sawmilling was of necessary support to the paper and board production, serving it economically with woodchip raw material. It could also be emphasized that sawmilling would make the buying of pulpwood used in chemical pulp production for paper and board production more efficient, as forests from where pulpwood was bought would often grow saw timber tree needed in sawmills, too. Moreover, it could be emphasized that there would be synergies in wood procurement and that, at the same time, additional profits could be taken from the timber products.[305]

6.1.11 Investors evaluating the corporation on strong brands owned

Mobilizations. Another specific criteria on which analysts and share investors would, by the late 1990s, analyse companies as investment targets would be the extent they would own certain strong brands[306]. A strong brand would be a product name or trademark the products were sold with which customers would potentially trust so much as being appropriate for certain needs or end-uses of theirs, with a certain quality level, that they could buy the products largely out of habit, instead of similar competing products sold with other names. Customers could also have emotional bonds to the product name and to products sold with it. Furthermore, the customers could be willing to pay premium prices for these products relative to other similar products appropriate for the same needs and end-uses with a similar quality level, due to their trust that the former products would be more appropriate and/or have better quality level, as well as due to their emotional bond to the product name. And when new products would be introduced to be sold with the same product name, the customers could very potentially be interested in buying the products, even if not much promotion was done. They would also potentially come to buy the new products out of habit, again, as well as pay premium prices for them.[307]

Analysts and investors would expect strong brands as likely to generate higher profits and cash flows for the company owning them, now and in the future, relative to companies not owning such brands, even if the latter corporations would be offering customers highly similar products. Due to the expectations, their demand for shares of corporations owning strong brands would be higher.[308]

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304 Rodden, Graeme (2002), "Think leading, think Stora Enso", *Pulp and Paper International*, 44(6).

305 Interviews (e.g. with Taukojärvi 30.9.2005).

306 Note that like is true for my descriptions involving *any* other entity, such as "merger", "investor", "clear strategy", "communication", "capital", "customer", "differentiation", "international", "paper", "money", "forest", "brochure" etc., my description involving "brand" or "strong brand", as well as the level of detail in which related entities are described, reflects the informants' decriptions and their level of detail in the sense of definitions and specifications. "Brand" or "strong brand" are, thus, not awarded a special position in this study.

307 Interviews (e.g. with Mynttinen 19.10.2005; Metsävirta 8.8.2005; Vainio 22.3.2005; Vainio 22.9.2005; Granholm 22.3.2005; Taukojärvi 30.9.2005).

308 Interviews (e.g. with Mynttinen 19.10.2005; Metsävirta 8.8.2005);
Silverang, Keith (1999), "In pursuit of branding", *Insight*, Summer, pp. 7–11.

[management interest (in corporate branding) mI#3]

Emphasizing the corporation's brands to investors and analysts

Interests in emphasizing the corporation's brands to investors and analysts since the end of the 1990s. By the 2000s, the CEOs, financial managers, investor relations managers, and corporate communications managers became more interested in communicating and emphasizing the corporation's strong brands to investors and analysts. This would be a translation of meeting their criterion calling for strong brands from any company in which investments would be made.[309]

The corporations would have somewhat strong brands especially in relation to products sold to consumers. First, in relation to tissue papers, Metsä-Serla/M-Real or its daughter company Metsä-Tissue would have the fairly strong "Serla" brand. Its Mänttä mill (previously owned by Serlachius) had since 1961 promoted and sold different kinds of tissue paper products, such as toilet tissue, kitchen towels, and handkerchiefs, as well as greaseproof baking and cooking paper products, with the "Serla" brand name, mostly in Finland. "Serla" would be a strong tissue, kitchen towel, handkerchief, and baking and cooking paper brand among the majority of Finnish consumers in the late 1990s.[310] Furthermore, the corporation would also own many other brands strong in Sweden and other European markets, such as "Lambi", which it had come to own in the acquisition of Swedish Holmen Hygiene's tissue business (1989).

In the late 1990s, Metsä-Serla was actually planning to divest the tissue business[311]. But, there would also be other paper product types where there would be somewhat strong brands, i.e. fine paper sold cut-size as office papers to end-customers such as to offices, companies, and public institutions of various sizes and to consumers, or households. Unlike with tissue papers, the production and selling of office papers would be a core business in the remaining corporations, Stora Enso, UPM-Kymmene, and Metsä-Serla. In office papers, particularly strong brands – internationally – would the trademarks of the leading copying machine and printer machines, original equipment manufacturers, such as "Xerox" (Rank Xerox Corp.) and "Canon" (Canon Corp.).

The OEMs would buy paper from numerous paper mills around the world to sell it with their own brand names and packaging. To larger offices and companies the paper would be delivered via the mills' local warehouses, via the OEMs' local distribution offices, or via some third-party stationery wholesalers. Smaller offices, companies, and households could buy the paper from the OEMs' local equipment dealers or from stationery retailers. The end-customers would generally trust the paper sold with the OEMs' brands as functioning best in their copying and printing machines and pay a premium for it, relative to products sold with other brand names. In particular, the end-customers, having copying machines or printers of e.g. "Xerox", would often trust in office paper with "Xerox" name as being appropriate for their use, with the best possible quality level, especially when it came to the functionality of the paper in just their own machines. For some customers, this trust would be based on experience of the paper and for some on a hunch of that paper which had the same name as their copying machine or printer had would inevitably be optimal. For some customers, in turn, the trust would be based on the knowledge that the OEMs were very active in developing the copier and printer papers with paper producers simultaneously when

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[309] Ibid.

[310] Anon. (2005), "Serla was born in the golden sixties" [online]. Metsä-Tissue. http://www.serla.com/portal/english/brand/history/ (Accessed 15.8.2005).

[311] Interviews (e.g. with Kivelä 3.3.2005; Mynttinen 19.10.2005).

developing the machines and printers. Often the OEMs would even lead the paper development with their own paper engineers and then give the specifications to various paper producers to have them produce the paper to be sold with the OEM's brand name.[312]

Nevertheless, the P&P corporations, or the mills, themselves would also have somewhat strong office paper brands, known as mill brands, in the late 1990s. These brands would be somewhat strong among customers within smaller regions or in individual countries where the products would be distributed and sold. Examples included Enso's (later Stora Enso's) colour copying and laser printing paper "4CC" from its Tervakoski mill, fairly strong in many European countries, and UPM-Kymmene's basic office paper "KymCopy" from the Kuusankoski mill, somewhat strong mainly in Finland, and later "Yes" and "Future", somewhat strong in some European countries. When it came to the fine paper mills the corporations owned outside Finland, such as UPM-Kymmene's Nordland (Germany) and Docelles (France) mills and Enso's Berghuizer mill (the Netherlands), they would produce and sell office paper with their own brand names, which were somewhat strong brands particularly among customers in the market areas around them. On the other hand, some competing P&P corporations would have even stronger mill brands: for instance, Swedish STORA (later Stora Enso) had "Multicopy" and Swedish MoDo (later acquired by Metsä-Serla/M-Real) had "DataCopy", which would be quite strong in many European countries; the Austrian "Neusiedler" was quite strong internationally. So, the managers were basically interested in communicating and emphasizing to investors their corporations owning fairly strong brands e.g. in office papers.[313]

> **Metsä-Serla/M-Real financial manager (executive)/ deputy CEO,** *retrospectively***:**
> After the mid 1990s, there was some interest in reminding the analysts and investors that we also had some brands which could be valuable. These were mostly, of course, in the office paper category. However, there was also the dilemma that the brands were losing significance due to the similar quality of different producers' papers and the private labels.

Indeed, the strength of office paper brands would be decreasing to some extent. Since the 1960s, the development of copier and printer papers in Europe would have largely been led by OEMs, particularly Xerox and later also Canon. As had largely been the case since the 1970s, the OEMs would deliver the specifications of the paper to increasingly many other mills, not just those they were closely cooperating with, helping them adapt their machines to produce the optimal kind of paper for them. Also the paper machine manufacturers, which were in the late 1990s only few in number globally, main players being Valmet (Finland), Voith (Germany), and Beloit (the USA), would help in this. They would have the expertise of building and rebuilding the paper machines of the mills: the latest paper-making technology could basically always be acquired from the paper machine manufacturers. So, since the 1980s, the OEMs had numerous mills across the continent producing similar paper at a highly similar quality level for them. On the other hand, the mills would recognize that they could sell more office paper by selling it also to other distributors and wholesalers with their own names. They could produce exactly similar paper as for the OEMs or slightly alter the paper mix, and sell it to merchants and stationery wholesalers to be distributed to end-customers. At least the large end-customers would know well that this paper would be similar to that sold with an OEM's name: if the paper with the mill's name could be bought a little cheaper

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[312] Interviews (e.g. with Rosenbröijer 24.2.2005; Taukojärvi 30.9.2005; Hennig 7.11.2005; Paananen 1.11.2005).
    Rosenbröijer, Carl-Johan (1994), *The Changing Relationships and Strategic Identities of Actors in an Industrial Distribution Channel. A Study of Distribution Channels for A4 Paper in Finland.* Licentiate's Thesis, Swedish School of Economics, Helsinki, Finland.

[313] Interviews (e.g. with Simelius 12.4.2005; Hennig 7.11.2005);
    Rosenbröijer 1994;
    Mikkonen, Antti (1995) "Enso listii Tampella-brandin – UPM-Kymmene, Enso-Veitsiluoto, Metsä-Serla/Myllykoski", *Talouselämä,* 40, pp. 58-59.

or with better delivery service, they would often be willing to buy this paper instead of the OEM paper. Some customers, particularly many state-governed companies and public institutions, would also prefer to buy paper with a domestic name, rather than with the name of e.g. an American ("Xerox") or Japanese ("Canon") name. For instance, large office customers in Finland would often know that Kymi's Kuusankoski mill produced paper for "Xerox" but basically similar paper could be bought from a merchant also with the brand name "KymCopy" (Kymi). They would often know also that Metsä-Serla's Kangas mill produced paper for "Canon" but similar paper could be bought with "Lokki" or "Amicus" name (Metsä-Serla). And even if they did not know this, they could experience the paper functioning similarly in their copiers and printers. Thus, many mill brands were becoming stronger, at least relative to brands of producers not cooperating with or producing paper to any OEM. The relative strength of the OEM brands would, thus, also be decreasing.[314]

In the late 1980s, the intermediaries, particularly the merchants, had started to consolidate. Larger merchants, or merchant chains, would be willing to buy large amounts of office paper from the producers and sell office paper with their own private label names. Many mills, especially those suffering to some extent from overcapacity, would see this as an opportunity to sell more fine paper. Papers made to similar or only slightly different specifications relative to those sold with OEMs' or mills' own names, would appear increasingly in the merchants' selections, now with their own private labels. Again, larger end-customers would know well that a private label paper would be similar to that sold with an OEM or mill name: if the paper with the merchants private label name could be bought a little cheaper or with better delivery service, they would often be willing to buy this paper instead of the paper with OEM or mill name. For instance, large office customers in Finland would often know that Veitsiluoto's Kemi mill produced paper for "Xerox" but basically similar paper could be bought, not only with the name "KymCopy" (Kymi) from merchants and stationery wholesalers, but also with name "Zoom" from a particular merchant, Amerpap. And even if they did not know this, they could, again, experience the paper functioning similarly in their copiers and printers. The strength of both the OEM brands and mill brands would be decreasing.[315]

Since the late 1980s, the new and modernized paper machines, as well as the more and more advanced copying machines and printers would also play a role. The paper machines of different mills would be able to produce office paper of increasingly similar quality. And the new copying machines and printers would function well and without problems regardless of slight differences in the paper. This would further decrease the strength of the OEMs' and mills' office paper brands. Papers sold with different names, be it that of an OEM, a mill, or a merchant, would function quite equally well in the end-customers' copying machines and printers. Nevertheless, the end-customers could retain some trust in products sold with certain name being most appropriate for certain needs or end-uses of theirs, with the best quality level, as well as have certain emotional bonds to the product name and to products sold with it. To some extent, customers could still buy these products out of habit and even be willing to pay premium prices for these products relative to other similar products.[316]

> **Metsä-Serla/M-Real deputy CEO,** *retrospectively:*
> Although the office paper brands were perhaps becoming weaker in the 1990s, they still had some strength. And they could also be pointed out to analysts and investors anyway, why not – at least it would not do harm… And neither would it do harm to point out also other than

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[314] Ibid.
[315] Ibid.
[316] Ibid.

office paper brands – even if they could be of less significance. We had, for instance, Galerie Art and Galerie Fine in printing papers.

So, despite the fact that the strength of e.g. office paper brands would be decreasing, the CEOs, financial managers, investor relations managers, and corporate communications managers were more interested in communicating and emphasizing the brands of the corporation to analysts and investors. And this did not necessarily concern only brands in consumer products, such as office papers, but potentially whatever products the corporations produced and sold.

Mobilizations. The interests in emphasizing the corporation's strong brands to investors and analysts were strong, as top managers increasingly presented the brands of the corporation, e.g. office paper brands, to analysts and investors when meeting them. The interests were also strong, as e.g. company magazines and even annual reports were made to present and tell about the brands.[317]

6.1.12 Investors evaluating the corporation on dynamism and renewal

Mobilizations. Yet another specific criteria on which analysts and share investors would, by the late 1990s, analyse companies as investment targets would be the extent they and their top managers were dynamic and able to renew themselves. To the extent that analysts and investors considered the the corporations and their top managers quite dynamic and capable of renewing themselves, they often thought that they had the ability to develop and implement effective and innovative strategies increasing shareholder value.[318]

[management interest (in corporate branding) mI#4]
Signalling renewal to analysts and investors

Interests in signalling renewal to analysts and investors since the end of the 1990s. The CEOs, financial managers, investor relations managers, and corporate communications managers became more interested in signalling renewal to analysts and investors. This would be a translation of meeting their demands and increasing the demand for the corporation's stock.

> **Metsä-Serla/M-Real deputy CEO,** *retrospectively*:
> Since the mid 1990s, it has become much more important for the managers to show investors and analysts that they and the corporation are dynamic and aspiring to renew the corporation and its strategies to some extent. This has become very important.

> **Enso/Stora Enso investor relations manager,** *retrospectively*:
> Since the mid 1990s, the management has had to notice that their personality and their ability to give a dynamic and innovative picture of themselves and the company they are leading is important. It has also become clear that they have to be able to renew themselves all the time, to some extent.

> **Enso/Stora Enso line manager (division, executive),** *retrospectively*:
> It would certainly be important to show to the investor world your capability to renew yourself. And, I think that not even close to all of it could, in practice, be based on concrete facts about what was going on in reality, the reality in the company. It wouldn't be possible…

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[317] Interviews (e.g. with Mynttinen 19.10.2005; Paajanen-Sainio 30.9.2005; Metsävirta 8.8.2005; interview with 31.1.2005).

[318] Interviews (e.g. with Harsu 13.10.2005; Paajanen-Sainio 30.9.2005).

Anyway, investors would be very critical with regard to these issues about the management. You have to be able to show new development directions, show were where you're going to. They will assess if the company is dynamic and renewing itself, if the management is dynamic. Never mind that the real results from these kinds of changes would show in the organization only after years, if even then.

Mobilizations. The interests in emphasizing signalling renewal to analysts and investors were somewhat strong, as the corporations increasingly emphasized, for example, their use of high technology and e-commerce in business. The interests were strong also, as the corporations could launch "new venture" organizations.[319]

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[319] Tainio 2003.

6.2 Differentiation of products and Selling own products

Interests in producing and marketing products with higher value added since the early 1980s. As described in section 5.2 (p. 87), the Finnish P&P corporations were, in the early 1980s, producing mostly standard commodity products, mostly with rather low value added. Recognizing the problems related to cost-competitiveness (see p. 102), the CEOs, line managers (of mills and, later [see 7.1.2], divisions), and (strategic) development managers of the Finnish P&P corporations became more interested in producing and marketing products with higher value added. This would be one translation of making cost-efficiency less critical and improving cost-competitiveness. In general, for higher value added paper and board products, such as for more heavily coated magazine or fine paper, the market prices would be higher. With respect to e.g. transportation but also to other cost components, the costs incurred relative to the market price would be lower in higher-priced products with higher value added than in lower-priced products with lower value added – in higher priced, higher value added products, being cost-efficient would not be so critical. Moreover, the relatively high price of the main raw material, wood, in Finland was problematic already in the 1980s (see p. 219). As the price of wood was high, increasing the revenues relative to the use of wood would be important. Producing products with higher value added would be a particular translation of this[320]. Finnish wood would be too expensive a raw material for simple, low value added bulk products, particularly for such as unbleached pulp, sack paper, kraftliner, and fluting[321]. These kinds of products should be produced in places where there was less expensive wood or fibre available. So, the managers were more interested in producing products with higher value added in Finland[322].

Interests in rebuilding existing machines to produce products with higher value added since the early 1980s. Nevertheless, not only did the CEOs, line managers, and development managers, since the early 1980s, become more interested in producing and marketing higher value added products in general, but they also became more interested in particularly rebuilding existing individual machines to produce new, higher value added products relative to what the machines had been producing. This would be one translation of making cost-efficiency less critical and improving cost-competitiveness with respect to the individual, existing machines. Many of the existing older machines could be rather small and narrow, and even decades old. Particularly these machines would be inefficient and lack cost competitiveness relative to market prices set by newer, more cost-efficient machines around the world supplying to the markets. Modernizing old machines to produce products which would have higher value added relative to what the machines had been producing and for which higher price could be obtained would mean that cost-efficiency would become less critical: the profitability of the production would improve. If the profitability could be expected to improve enough in terms of the pay back period for the modernization investment, the investment in rebuilding would be worthwhile[323]. Moreover, rebuilding existing individual machines to produce new, higher value added products would be a translation of enabling sales of additional paper quantities and thus increased cash flows, as the volume capacity of the machine could potentially be increased[324].

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[320] Diesen 1998, p. 147.
[321] Ahvenainen 1992, p. 686.
[322] Rohweder 1993, pp. 17–18.
Illi, Anita (1988), "Enso viis veisaa veloista ja valtiosta", *Talouselämä*, 41, 22-25.
[323] Haarla, Ainomaija (2003), *Product Differentiation: Does it provide competitive advantage for a printing paper company?*. Doctoral Thesis, Helsinki University of Technology, Espoo, Finland. pp. 151, 178.
Diesen 1998.
[324] Poesche 1995, p. 4.

And it would be a translation of not having to close down certain old machines as unprofitable and of being able to continue running them[325]. After all, even if rebuilding an old machine could cost hundreds of millions of Finnish marks, it would be less expensive than closing it and building a completely new one.

Interests in producing and marketing differentiated products since the early 1980s. Since the early 1980s, the CEOs, line managers, and development managers, as well as sales managers (of mills and, later [see 6.3.4], own sales offices) and marketing managers (of mills [see p. 150] and, later [see 7.1.4], divisions), also became more interested in producing and marketing products that were differentiated from standard commodity products in terms of the combination of quality and price and of being meant for a particular end-use[326]. This was particularly the case when rebuilding machines and was one further translation of making cost-efficiency less critical and improving cost-competitiveness with respect to the individual, existing machines. Namely, rebuilding an old, inefficient machine from producing a lower value added commodity grade to producing a higher value added commodity grade might not make cost-efficiency much less critical. For instance, if newsprint machine was rebuilt to produce standard SC magazine paper or a coater was acquired and SC magazine paper machine rebuilt to produce standard LWC magazine paper, the resulting machines could still be rather inefficient relative to new, efficient machines which were built to produce just SC or LWC right from the start. But, if such differentiated products could be produced and marketed which were not supplied widely to a market area by other paper or board producers, the corporation could gain a competitive advantage. The differentiated product could be sold to customers somewhat outside the spot market prices for standard products, as there would not be exactly similar alternative products available in the market area[327] – the price could be set more based on the value for customers. This would make cost-efficiency less critical[328].

Moreover, producing and marketing products that were differentiated would be a translation of making the corporation less vulnerable to the business cycles and market price fluctuations that were very typical for the industry and most products, countering the trend of decreasing market prices, and hence having more stable and improved profitability, as the products could be sold to customers somewhat outside market prices for standards. Also, it would be one translation of developing and maintaining more partnership-oriented, longer-term customer relationships and of decreasing the need to promote and sell production to customers in the spot market, as the customers would be more willing, due to the lack of interchangeable products in the market, to continuously buy the differentiated product from the corporation.[329] And it could be one translation of even having the possibility to rebuild a machine or build a new machine, as the sales associations controlled member mills' investments and production capacities most tightly in standard commodity products and could block a member mill from having more capacity in the production of a standard commodity product[330].

Mobilizations. The management interests in producing and marketing products with higher value added were strong, as the Finnish P&P corporations in the 1980s increasingly produced, in absolute and relative terms, products with higher value added, such as coated magazine papers,

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[325] Haarla 2003, pp. 142, 193.

[326] Lilja, Kari and Risto Tainio (1990), "Internationalisation of the Finnish paper industry: a resource-orientated view". Paper prepared for the workshop on International Business, TVK-Instituutti, 18.-20.4.1990.
Rytkönen, Mika (1996), Branding *industrial products: Implications for supplier-buyer-end user relationships. Case Tervakoski 4CC.* Pro Gradu Master's Thesis, Department of Marketing, Helsinki School of Economics and Business Administration, Helsinki, Finland. p. 21.

[327] Alajoutsijärvi 1996, p. 27.

[328] Haarla 2003, p. 145.

[329] Interviews (e.g. with Metsävirta 8.8.2005);
Alajoutsijärvi, Kimmo, Mats Klint and Henrikki Tikkanen (2001), "Customer relationship strategies and the smoothing of industry-specific business cycles. The case of the global fine paper industry", *Industrial Marketing Management,* 30, pp. 487-497.

[330] Kettunen 2002, p. 53.

coated fine papers, or coated paperboards. The interests were also strong as they decreasingly produced, at least relative to production of other products, products with lower value added, such as unbleached pulp, sack paper, kraftliner, and fluting, but also newspaper and uncoated magazine paper. The management interests in rebuilding existing individual machines to produce new, higher value added products relative to what they had been producing were strong, as the corporations often rebuilt e.g. newspaper machines to produce magazine paper or coated papers.

The interests in producing and marketing products that were differentiated in terms of the combination of quality and price and of being meant for certain particular end-use, in turn, were strong, as the corporations were increasingly, since the beginning of 1980s, planning to develop and developing such differentiated products. The interests were also strong, as the corporations and their mills were increasingly gathering expertise in advanced and new technologies and developing such in cooperation with e.g. paper machine and chemical manufacturers, especially with respect to the application of different fibres and in the areas of multi-layering, on-machine coating, and finishing, and the utilization of new minerals and mineral combinations[331]. And the interests were strong, as the engineers and other people working at the mills were trying to interact more directly and closely with customers and thus learn about them and their needs, develop better and better-quality differentiated products, and promote the differentiated products to them.

6.2.1 Problems with the sales associations related to developing and promoting differentiated products

Mobilizations. However, the sales associations and their managers and salespeople, as well as the managers of some P&P corporations, who were governing the sales associations and exerting control and deciding on policies concerning investments, order allocation, and pricing, somewhat resisted the individual corporations' or mills' attempts at developing, producing, and selling individual differentiated products in the 1980s. The sales associations retained the right to allocate from which mills individual customer orders were supplied. This would prevent the member mills' products from competing with each other and their sales from cannibalizing each other, as well as support the feeling of control and power of the sales associations.[332] But, it could also prevent an individual corporation or mill from having its differentiated product sold effectively to customers whose needs it would best serve. Actually, already the investments in building capacity for new differentiated products could be blocked by sales association Board exerting control on the member mills' investments, if sales cannibalization could be expected. Furthermore, some average price systems remained, based on the assumption that the mills produced similar standard grades and implying that each mill would get the same price for its product from the sales association, regardless of the different quality levels. These would support the sales of mills that were producing standard grades, even with low quality.

Moreover, particularly with respect to sales to Finland, there remained agreements to divide domestic orders on the basis of total supply of the mills. This would ensure many mills their part of the fairly high-priced domestic orders but could prevent a mill from developing tailored products to certain large Finnish customers and sell the products to them regardless of what the production capacity of the mill relative to the others was. Again, already the investments in building capacity for new differentiated products could be blocked by sales association Board exerting control on the member mills' investments, if it would mean changes to order allocation of orders to Finland. This had happened, for instance, at the beginning of 1970s, as Finnpap's

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[331] Diesen 1998; Haarla 2003, p. 110.

[332] Kettunen 2002, pp. 12, 36, 57.

Board had prevented Metsäliiton Teollisuus's Kirkniemi mill from starting to produce a new differentiated offset magazine paper product to a Finnish customer with whom it had already largely developed the product.[333]

Beyond the investment policies and control described above, the sales associations also resisted pricing and order allocation in the 1980s. They tried to prevent mills from coming into direct contact with customers and to keep the direct contacts largely to the salespeople of their sales offices. This would make the development of e.g. a new differentiated publication paper difficult, as cooperation with certain printing houses and publishers would be needed so that the paper and its quality could be optimized. Test printing runs done in cooperation with these customers would be needed so that the new products could be produced and sold on a larger scale. And direct feedback from these customers as well as other customers who would be buying the product would be particularly important for improving the quality of the product. On the other hand, customers would want to discuss matters such as technical problems with the products directly with the mill – the salespeople of the sales associations would not have enough technical expertise.[334] Finally, the sales associations trying to prevent mills from coming into direct contact with customers and keeping the direct contacts largely to themselves would make marketing and promoting the differentiated products to existing and potential new customers and their buying organizations difficult[335].

Finally, the sales associations showed especially strong resistance to contacts by member corporations and mills to customers with whom they did not have long-time, established supplier-customer relationships. At a minimum, the sales associations usually demanded that any contacts to new customers would have to be given the green light by them. Particularly, the mills and corporations were banned from contacting the customers of another member corporation or its mills without receiving permission from e.g. Finnpap first[336]. So, it would be difficult for individual corporations and mills to develop products with, and to promote them to, other customers than their own customers or with and to customers who would be customers of mills of other P&P corporations that were members of the associations[337]. An individual P&P corporation and its mills that were members of sales associations generally could not freely choose the customers to be contacted with product development or promotion of products in mind.

Interests in changing the control and policies of the sales associations in the 1980s. Recognizing the problems with the control and policies on investments, pricing, and order allocation of the sales associations, particularly those of Finnpap, in which there was more deviation in the interests of different mills than in the smaller association of board mills, Finnboard, the CEOs, line managers (of mills and, later [see 7.1.2], divisions), and development managers, became more interested in having the sales association ease up on or remove the investment control in the 1980s. This concerned the control by which the associations could prohibit member mills' investments in new machines and machine rebuilds which would change the produced grades and thus alter the balance of capacity and supply across mills. They also became more interested in having the associations give up partly on their right to allocate from which mills certain customer orders were supplied, even if agreeing to sell a specific product to a certain customer could mean that sales of products of other mills would, to some extent, be cannibalized.[338] Also, the managers became more interested in having the sales associations

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[333] Kettunen 2002, pp. 12, 36, 57; Kuuramaa 2004, p. 21
[334] Interviews (e.g. with Rehn 23.8.2005);
       Alajoutsijärvi 1996, p. 151; Laiho 1998, p. 75.
[335] Heikkinen 2000, p. 357.
[336] Interviews (e.g. with Metsävirta 8.8.2005).
[337] Ibid.
[338] Kettunen 2002, pp. 12, 36, 57.

remove the average price systems. These would be translations of marketing and producing products that were differentiated in terms of the combination of quality and price and of being meant for a particular end-use.

Interests in having direct contacts to customers since the 1980s. Recognizing the problems with the sales associations resisting direct contacts between mills and customers, the CEOs, line managers, and development managers, as well as sales managers (of mills and, later [see 6.3.4], own sales offices) and marketing managers (of mills [see p. 150] and, later [see 7.1.4], divisions), became, since the 1980s, more interested in having the sales associations to facilitate more direct contacts between mills and customers, so that information could move more effectively in both directions and, hence, new products could be better developed in direct cooperation with customers and the differentiated products could be promoted and sold more effectively. The wall constituted by the sales associations between customers and markets on one side, and product development and production on the other, particularly with respect to foreign customers, would have to be taken down[339]. The differentiated products would have to be promoted to customers. These would be translations of marketing and producing products that were differentiated in terms of the combination of quality and price and of being meant for certain particular end-use.

Interests in leaving the sales associations since the 1980s. Furthermore, recognizing the problems with the control and policies on investments, pricing, and order allocation of the sales associations, particularly of Finnpap, the CEOs, line managers, development managers, sales managers, and marketing managers became, in the 1980s, more interested in leaving the sales associations or dismantling them altogether and building their own networks of sales offices (see also sections 6.3.1, 6.3.4). This would be a further translation of marketing and producing differentiated products and particularly of freeing the corporation of the control and policies of the sales associations, which were based on compromises and would therefore seldom optimally or fairly serve the interests of a single member corporation. On the other hand, recognizing the problems with the sales associations resisting direct contacts between mills and customers in developing and promoting products, the managers became further interested in leaving the sales associations.

Moreover, leaving the sales associations would be a translation of freeing the corporation of the control and policies of the sales associations in general, also beyond developing and promoting differentiated products. It would also be a translation of having more direct contacts to customers, beyond developing and promoting differentiated products, as well. Furthermore, it would be a translation of not being forced to invest resources into such expenses of the sales association that would not benefit their own corporation or mills optimally or fairly.

Finally, the managers of an individual P&P corporation became also increasingly interested in taking into account that sooner or later the associations could be dismantled, as other member corporations would be increasingly interested in leaving them.

Mobilizations. The management interests in changing the sales associations' control and policies on investments, pricing, and order allocation were strong already at the beginning of 1980s, as average price systems were removed, order allocation policies were made less strict, and general investment control was eased on. They were also strong, as individual investment projects were accepted more easily. For instance, Metsäliiton Teollisuus could continue to develop its differentiated offset paper mentioned above and start producing it to a particular Finnish customer, as well as to customers abroad – albeit that abroad it had to mainly find, with

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[339]   Ojala 2001, p.39; Heikkinen 2000, pp. 356–364, 443–449, 479–483; Alajoutsijärvi 1996, p. 151.

Finnpap, totally new customers to the product so that selling the product would not cannibalize other mills' sales to existing customers.[340]

The interests in having direct contacts to customers were strong, as in the early1980s, the sales associations were transformed from bureaucratic export agencies into marketing associations whose task would be to more strongly support the marketing of the products of individual mills and P&P corporations:

> **CEO of Finnpap, Thomas Nystén,** *in 1984*[341]:
> For Finnpap to be able to, in every respect, fulfill the marketing requirements of a modern firm, we have to, from now on, work in a way that more and more advances the participation of individual member companies in the marketing; in other words, Finnpap has to really become an individualized organization for each of its member companies.

The mills could assume more direct contacts with customers and more responsibility for promoting their own products in the 1980s, e.g. in terms of producing promotional material for the use of the salesmen of the associations and for direct mailing, as well as in terms of personally contacting present and potential customers and promoting products to them[342]. Accordingly, more sales and marketing personnel were hired by the mills. In Finnpap, particular changes in the mode of operation were done in 1984[343]. Importantly, the mills could also more directly cooperate with salespeople of the sales offices, as contacts between the offices and mills were made direct. For instance, with respect to Finnpap's sales offices in Germany, direct contacts between the offices and mills in Finland were experimented with in 1986 – the Finnpap head office would no longer be an intermediary; and this model soon spread to concern other sales offices, too[344]. However, despite the changes, an individual P&P corporation and its mills that were members of sales associations generally could still not freely choose the customers to be contacted with product development or promotion of products in mind.

> **P&P corporation line manager (executive)/ deputy CEO,** *retrospectively:*
> It was, of course, an important thing for the unity of Finnpap that you couldn't go to the customer of another member company without first agreeing with Finnpap... You always had to agree about potential customers you were about to contact with Finnpap...
> I myself once made the mistake of going to a customer of Kajaani Corp. And the manager, honorary mining counselor Ahava, called me and almost came on to me through the phone lines... And when you went to Finnpap to ask for permission, you would not get it.

On the other hand, the interests in leaving the sales associations were strong, as Enso's top managers made the definitive decision to leave Finnpap in 1986 and had Tervakoski, which it had acquired the same year (see p. 105), also leave. Particularly the interests in freeing the corporation of the control and policies on investments, pricing, and order allocation of the sales association, and having direct contacts to customers in developing and promoting differentiated products were strong. Namely, Finnpap's Board had just prohibited Enso from investing in a machine rebuild that would have resulted in increased production of a new differentiated coated paper grade[345]. Moreover, Enso and its CEO Pentti Salmi were irritated by Finnpap's approval of a UPM investment project to build a newsprint mill in Shotton, UK (see also pp. 101, 221). When finished in 1986, the mill would take a considerable share of the newsprint market in the UK and, at the same time, UPM's Kaipola mill in Finland would continue to take its old share of Finnpap's orders. Finnpap's newsprint sales would also, in a sense, have to compete with Shotton's, which

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[340] Kettunen 2002, pp. 12, 36, 57;
    Interviews (e.g. with Metsävirta 8.8.2005).
[341] Heikkinen cites bulletin by Thomas Nystén (14.8.1984), Heikkinen 2000, 399.
[342] Interviews (e.g. with Rehn 23.8.2005; Metsävirta 8.8.2005)
[343] Heikkinen 2000, p. 399.
[344] Heikkinen 2000, p. 431; Ylänen 1990, p. 114.
[345] Näsi, Ranta, and Sajasalo, pp. 42-44; Heikkinen 2000, p. 420.

would likely lead to decreasing prices. Furthermore, the interests in not being forced to invest resources into such expenses of the sales association that would not benefit the own corporation fairly were also strong. Enso's top managers were reluctant to invest in a computerized information system planned by Finnpap, as Enso had been investing in its own system. And they were reluctant to cover some currency forward exchange losses of Finnpap. After the Bank of Finland had transferred the responsibility of the forward exchange market to banks in 1980 (see p. 100), Enso was one of Finnpap's member corporations that would have liked to have forward exchange transactions to itself and not let Finnpap handle it, to be able to speculate with the anticipated export revenues that came in foreign currencies. However, Finnpap engaged in considerable forward exchange in 1984–1985 and incurred considerable losses: Enso's managers felt that the way the losses were shared between the member companies was not fair.[346]

Moreover, in the mid 1980s, Enso was already considerably large in size, the largest of the Finnish P&P corporations, and planning to further strengthen its production capacity and widen its product range through the acquisitions of e.g. Tervakoski and A. Ahlström's Varkaus mills. The size would make leaving the sales association more feasible (see p. 184). And Enso already had its own sales network for some of its special products, such as wood products and boards (see p. 90). Leaving Finnpap and transferring also e.g. the sales of newsprint to its own sales network was fairly easy for Enso. It did not have to build a network from scratch.

Interests in leaving the sales associations since the late 1980s. Recognizing that even after the certain changes in sales associations' mode of operation there remained, for example, the problem that a P&P corporation and its mills that were members of sales associations generally could not freely choose the customers to be contacted with product development or promotion of products in mind, the CEOs, line managers, development managers, sales managers, and marketing managers, became increasingly interested in leaving the sales associations since the late 1980s. Moreover, leaving the sales associations would be a translation of getting rid of the general hindrance to marketing that was created by the corporation not having salespeople and sales offices of its own[347]. Also, the managers became increasingly interested in taking into account that sooner or later the associations could be dismantled.

6.2.2 Attempts at marketing and producing differentiated products to be sold to direct customers

Interests in producing and marketing differentiated products to direct customers since the early 1980s. Since the early 1980s, the CEOs, line managers (of mills and, later [see 7.1.2], divisions), development managers, sales managers (of mills and, later [see 6.3.4], own sales offices) and marketing managers (of mills and, later [see 7.1.4], divisions) of the Finnish P&P corporations became more interested in producing and marketing such differentiated products that would be appropriate to certain quite specific end-uses and have a certain quality level but at a more economic price than the market price of standard products that would be appropriate to the same end-uses with approximately the same quality level. So, the managers became more interested in differentiating the products with yield, or lower price relative to a standard grade highly similar in appropriateness to an end use and in quality. This would be a translation of serving customers or certain group of customers that needed a less

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[346] Heikkinen 2000, p. 402-426.

[347] Ylänen 1990, p. 103; Haarla 2003, p. 182;
     Muona, Saija (1997), *Selling and marketing in an industrial firm. The case of UPM-Kymmene Kymi Fine Papers,*. Pro Gradu Master 's Thesis, Department of Marketing, Helsinki School of Economics and Business Administration, Helsinki, Finland. p. 83.

expensive product for a certain end-use than a certain standard grade but were not very willing to compromise much on quality, i.e. not willing to buy a standard grade of lower quality. The new differentiated product grade version with almost equal quality to the standard product grade would be developed but with that much lower raw material and processing cost that the new product would be profitably sold at only some percent above the price level of the lower-quality standard grade.[348]

The managers became more interested in producing and marketing differentiated products that would be appropriate to certain quite specific end-uses of particularly publishers and large printing houses – their most important customers – and have a certain quality level with better yield. To these customers the costs of paper would be particularly important. For the large publishers and printing houses, to whom the corporations directly sold paper in reels mostly for the long print runs of large-volume newspapers, weekly magazines, newspaper and magazine supplements catalogues, and retail brochures, the cost of the paper would constitute a large part of their total costs. They would often be willing to find a less expensive paper by slightly compromising the paper quality in terms of optical properties, especially when they would be hit by downturns and had to reduce their paper purchasing budget. At the same time, they would not be willing to compromise e.g. the machine runnability of the paper, for their cost-efficiency also depended largely on the speed at which they could run their printing machines. The stiffness of the paper would be important here.[349]

Moreover, producing and marketing differentiated products that would be appropriate to certain quite specific end-uses and have a certain quality level with better yield would be a translation of serving new or growing special end-uses with products optimized for these end-uses. First, there could be new printing technologies whose use among large publishers and printing houses was growing. In this case, they would be willing to buy paper optimized for the particular printing technology. Second, e.g. publishers and printing houses could be willing to produce publications and catalogues of specialized character, perceivable for the ultimate end-users, or readers. The paper would then emphasize the special character of the publication to the readers, contributing to a special image. So, the managers were interested in pursuing product differentiation also in this sense.[350] But, there was also interest in differentiation with yield: customers could find standard product grades too expensive for the new and growing end uses.[351]

Mobilizations. The management interests in producing and marketing differentiated products that would be appropriate to certain quite specific end-uses and/or have better yield were strong, as the corporations and their mills increasingly sought for new combinations of e.g. different kinds of pulp, calendering, coating, and fillers, dyestuff, and pigments. These should enable differentiated products appropriate to certain specific end-uses and having a certain quality level in terms of the combination of e.g. weight, brightness, brightness that would last, stiffness, opacity, and gloss, and cost or yield.[352]

As an example, the Kirkniemi mill of Metsäliiton Teollisuus developed a differentiated new web-sized offset printing paper at the turn of 1980s. The new production capacity in uncoated SC paper market had started to decrease the cost competitiveness of an SC paper machine at the mill[353]. A new product was developed for large publishers and printers who were increasingly producing special supplements and printed TV magazines, as well as for the increasing number of mail order companies, specifically in the US, who were producing different kinds of

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[348] Haarla 2003, pp. 178;
      Interviews (e.g. with Metsävirta 8.8.2005).
[349] Interviews (e.g. with Hirsch 26.10.2005).
[350] Haarla 2003, pp. 154, 155, 178; Paavilainen 1995.
[351] Ibid.
[352] Haarla 2003, pp. 154, 155, 178; Paavilainen 1995.
[353] Kettunen 2002, p. 57.

catalogues. Furthermore, these kinds of customers were rapidly adopting heat-set web offset as their printing technology.[354] The developed web-sized offset printing paper, to be called "WSOP", was an option with quality not much lower than for standard light-weight coated offset paper (LWC/LWCO). On the other hand, the price would be significantly lower: it was set at a level only a few percent higher than the market price of the next lower grade that could be considered for the same end use, i.e. uncoated, super-calendered mechanical offset paper (SC/SCO).[355] It was thus a grade between SC and LWC in quality.

As another example, Kirkniemi mill developed, in the early 1990s, a new differentiated on-machine film-coated, light offset paper product grade. The same machine that had produced the above "WSOP" was rebuilt to produce a paper for end use in catalogues, magazines, and advertising. The new product, to be called "FCO", would also be economically priced for publishers and printers and lighter than standard LWC but highly similar in printing quality.[356]

As yet another example, the same management interests were strong, as Kymi's Voikkaa mill developed a new differentiated machine-finished coated (MFC) mechanical paper. The newsprint machine of Kymi's Voikkaa mill had started to be inefficient and slow in the early 1980s and a development project for a new, differentiated publication paper grade was started. The machine could not be rebuilt to compete well with new machines producing bulk SC or LWC magazine paper products. A special machine-finished coated (MFC) mechanical paper, which was quite different from standard commodity product grades, was developed – between SC and LWC standard grades.[357] The product, to be called "KymTech", came to be a light and stiff semi-matt paper, to be especially used in four-colour special interest magazines, special catalogues, advertisements, and books. The stiffness would give the paper good runnability in printing machines even with light basis weights and make the paper an economic option to publisher customers. It would also give a firm tactile feeling for the reader. The matt surface would make printed text in the end publication easily readable and make images stand out. It would also give the end-publication a distinct image.

Finally, although Kymi was first with its MFC quality, Enso's newsprint machine at Kotka mill started to be inefficient and slow, too, approximately at the same time. So, Enso went and developed its own MFC product grade, to be called "Solaris", slightly different in technical quality from that of Kymi's. "Solaris" was differentiated also in the sense of not facing competition from many exactly similar products – except for "Kymtech".[358]

[management interest (in corporate branding) mI#5]

Developing and maintaining strong product brands *(products sold to direct customers)*

Interests in developing strong product brands - for products sold to direct customers since the early 1980s. Since the 1980s, the marketing managers (of mills and, later [see 7.1.4], divisions) and sales managers (of mills and, later [see 6.3.4], own sales offices) of the Finnish P&P corporations became more interested in developing brands for the differentiated

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[354] Anon. (c) (1993), "Kirkniemi paper mill. The Master of Innovation", *Metsä-Serla News*, June, pp. 12-13.
Haarla 2003, p. 153.

[355] Haarla 2003, pp. 154, 195-196.

[356] Anon. (b) (1994), "FCO. The dawning of a new era", *Metsä-Serla News,* January, pp. 4-7.
Kettunen 2002, pp. 55, 59.

[357] Alajoutsijärvi 1996.

[358] Ahvenainen 1992, p. 646; Ylänen 1990, pp. 110–111; Haarla 2003, pp. 197–198; Näsi, Ranta, and Sajasalo 1998, p. 44;
Illi, Anita (1997), "Holtzmann täydensi Enson tuotepalettiin puuttuvan lenkin. Sanomalehtipaperista.", *Paperi ja Puu – Paper and Timber*, 79 (6), pp. 354–360.

products sold to direct customers. This would be a translation of marketing and selling the products to direct customers, also others than those with whom the product would be developed. The customers would associate the brand with a perceived appropriate end use, quality and price level. The customers could come to perceive a differentiated product sold with a certain brand name as quite new and different relative to other products in the market when it came to the appropriateness to certain end uses, and to the quality and price level. Based on this perception, the customers could become willing to buy just this product, as they would potentially perceive the products to serve just their end uses and with optimal quality and better price than other products in the market. So, the managers were interested in developing these kinds of brands for differentiated products sold to direct customers.

Mobilizations. The management interests in developing brands for the differentiated products were strong, as special promotional materials were designed for the use of the salespeople of the mills and the sales association's sales offices and as the promotional materials were used much more extensively than with the standard products. The interests were also strong, as the brand names and the products' specific end uses, quality, price levels and uniqueness were emphasized in these promotional materials. Moreover, the interests were strong, as the products were given brand names that did not reflect the name or the locality of the mill producing the product and some standard product grade as much as they traditionally had, but were somewhat unique and stood out relative to other products of the corporation and even to other products in the market.

> **UPM-Kymmene marketing manager (division)**, *retrospectively*:
> The paper industry has had a tradition that when a new product had been launched or when there have been investments in a new production line, a new name has been invented for the new product. And the name has very often been a combination of the name of the place and of some generic product type.

When it comes to the above examples, the new differentiated product of Metsä-Serla's Kirkniemi mill was, in the early 1980s, given a new name, "WSOP". This name was still based on the product's end use as web offset printing paper, as it was derived from the words "web sized offset paper".

> **Metsä-Serla/M-Real line manager (executive)/ deputy CEO**, *retrospectively*
> In the early 1980s, we developed this coated offset paper together with a customer. We named it WSOP and tried to make some kind of brand of it… WSOP is one example where we wanted to differentiate. We developed our own, differentiated product and promoted it with a new name, as a unique product. It was a new way of promoting products, which was effective among customers.

When the other new product was developed and the same machine rebuilt, in the early 1990s, the new product was named "FCO". This name, derived from "film coated offset", reflected not only the end use as offset printing paper but also the coating method being film coating.

> **Metsä-Serla line manager (Kirkniemi mill manager), Ari Antsalo, *in 1993* (before the introduction of FCO)**[359]:
> As a young mill running medium size paper machines we have to find a way of standing out from the crowd. Our brand has to be visible and it should be serviced by an extensive distribution system.

The special machine-finished coated paper introduced by Kymi's Voikkaa mill was named "KymTech", somewhat reflecting the corporate name. Enso's Kotka mill, then, gave its

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[359] Anon. (b) 1994; Kettunen 2002, pp. 55, 59.

differentiated MFC product the name "Solaris". This was a name that did not even reflect the traditionally emphasized aspects, such as the end use printing method, anymore.

> **Enso/Stora Enso marketing manager**, *retrospectively*:
> One of the first brands in the publication papers business was "Solaris". The product was developed in Kotka in the late 1980s. We promoted the Solaris product. It was a particular, differentiated type of paper...Until then, all the product names had been derived mainly from the technical [grades]... like from improved newspaper or from newspaper or SC or LWC. But what we named Solaris was this kind of mfc paper, machine finished coated, which was a new product innovation. And that way Solaris got a market position.

6.2.3 No sustainable competitive advantage by differentiating products

Mobilizations. Introducing a differentiated product, producing it in a certain mill and marketing and selling it with a certain brand name often resulted in a competitive advantage in that there were many customers willing buy the product and pay a good price for it. This meant that the product became fairly profitable, even if it was produced with a rather small machine that was, in principle, inefficient. This was true at least after problems in the level and uniformity of quality of the product following the start-up of the production had been overcome. Nevertheless, these problems, as well as other problems, were often present when differentiated products were developed, introduced and produced.

First, the stabilization of the quality level of a new product often took even years and was rather costly: customers could be complaining or refusing to buy or pay a good price for the product and improving the production process was labourious. For instance, Enso's Kaukopää mill experienced this with "Solaris". Furthermore, if the stabilization of the quality level lasted a year or even years, that would be in addition to the 2–5 years of intensive and costly product and process development and machine build-up or rebuilding that had preceded the introduction of the product, and up to 5–10 years of less intensive development that could have preceded the latest development stage. Albeit that all this development improved the know-how and expertise of the mill and the corporation, which could be exploited in future product development projects, it was time-consuming and costly[360].

Sometimes it could be difficult to find customers willing to buy a new differentiated product of non-standard quality, particularly among larger publishers, too, in case the product was not satisfying their needs in a clearly superior way[361]. Large publishers could look askance to new differentiated products which only one mill or P&P corporation was producing and offering. If a product with non-standard technical quality, even one that was advantageous relative to competing products, could be supplied only by one mill and machine, a large customer would take a risk in buying it.[362] Optimizing, or even changing, its own printing or converting equipment and processes for a differentiated product meant that the customer would end up in difficulties[363], should there be quality problems with the product or problems in the mill, such as machine break-ups or strikes: the customer would not get the same product from elsewhere. Optimizing its own equipment and processes also meant that the customer could not change the supplier of the differentiated product without optimizing the equipment again, and actually, at the same time, altering the characteristics of its own end-product, such as a magazine. The

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[360] Kettunen 2002; Paavilainen 1995.
[361] Rohweder 1993, p. 96;
       Interviews (e.g. with Frejborg 24.2.2005).
[362] Haarla 2003, p. 190;
       Interviews (e.g. with Frejborg 24.2.2005).
[363] Rohweder 1993.

customer would either lose price bargaining power to the P&P corporation[364], as there would not be competing producers, or would have to make changes in the equipment when willing to change the suppliers. Hence the customer was not necessarily very willing to use the new differentiated product, or at least, to adopt it as a key material in its own production without giving it a minor or testing role first[365].

But even if the customer's optimized equipment and processes and chosen end-product characteristics made a differentiated product not immediately interchangeable with other competing products[366], in principle it, too, had quite close substitute products, produced by other P&P corporations. This substitutability was only increasing as more slightly differentiated products were introduced between the standard grades: differences in the technical quality of the paper and board products between closest, competing substitute products were gradually becoming smaller[367]. And actually, the competing substitute products were not necessarily those of other P&P corporations: they could be products of another mill or machine of the same corporation, too[368].

Furthermore, the new differentiated products did not usually remain differentiated for very long: other producers could quite easily imitate new products and start producing similar ones and introduce them to the market[369]. When several producers would sell the same product of similar quality in the same market area, the product would become a commodity. As mentioned (p. 141), this was occurring in the 1980s e.g. to office paper. Earlier there had been significant differences in quality between producers in terms of e.g. brightness or whiteness of the copier paper and in terms of how well the paper functioned in copying machines. In the 1980s, these differences were leveling off and numerous producers would produce office paper at a similar quality level and sell it in the same market area, making it a standardized product.

In Finland, still in the 1980s, the development by the P&P corporations was, as traditionally, quite cooperative[370], involving e.g. the jointly-owned Keskuslaboratorio (KCL, Central Laboratory), focusing on basic research, various universities, and some large Finnish publishers and printers, as well as the cooperation and close contacts between the corporations within the sales associations. The sales associations could even pressure their member corporations to sell licenses for their patented product innovations to other members, as happened when Metsäliiton Teollisuus had to sell license for its "WSOP" product to Kymi.

Even if the P&P corporations were reducing cooperation and conducting more development on their own in the late 1980s[371], there would be other actors enabling the products to be standardized. First of all, the competitors could quite easily acquire a sample of a new product and analyse it with the aim of developing similar products[372]. But particularly, imitation would be enabled by the paper machine and chemical manufacturers. A new paper and board product required the development or reconfiguration of the paper or board machine and process and/or a renewed recipe composition for the pulp and coating materials and chemicals. Hence, paper machine manufacturers and/or chemical manufacturers were practically always involved in the

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[364] Interviews (e.g. with Ronan 10.2.2005).

[365] Interviews (e.g. with Frejborg 24.2.2005).

[366] Haarla 2003, p. 3.

[367] Haarla 2003, p. 217; Kettunen 2002, p. 94;
Interviews (e.g. with Frejborg 24.2.2005; Halonen 10.3.2005; Parkkinen 10.3.2005)

[368] Haarla 2003, pp. 186, 204.

[369] Alajoutsijärvi 1996, p. 27;
Laurila, Juha and Kari Lilja (2003). "M-real – An end-user driven pan-European fine paper company in the making", in *Our Path Abroad. Exploring Post-War Internationalization of Finnish Corporations*, P. Mannio, E. Vaara and P. Ylä-Anttila, eds. Helsinki, Finland: Taloustieto. pp. 235-254.

[370] Kettunen 2002, p. 14.

[371] Kettunen 2002, p. 14.

[372] Interviews (e.g. with Metsävirta 8.8.2005)

development[373]. Some components of new products could be patented but basically the knowledge and expertise of the products stayed with the machine and chemical manufacturers who could deliver similar machines, processes, and chemicals to competitors. Besides, the machine manufacturers were consolidating and getting fewer: in the 1990s, there would be only a handful of companies, such as Valmet (Finland; in 1999, merged with Finnish Rauma Corp. to form Metso), Voith (Germany), and Beloit (the USA; in 2000, acquired by Metso) truly competing for the machine orders around the world, which further unified the technology available.

So, even if a corporation could possess a competitive advantage after developing and introducing a new differentiated product and be able to sell it somewhat above the market prices of standard products, the advantage was often only temporary, as competitors started to imitate the product. This imitation and standardization happened to, for instance, the above "WSOP" and "KymTech", to some extent. Similar products to "WSOP" were, after some years, also produced by other producers besides Metsäliiton Teollisuus. This made the corporation, now Metsä-Serla, start the development of a new product, which eventually resulted in "FCO" being introduced in the 1990s. However, this product would also become imitated:

> **Metsä-Serla/M-Real line manager (executive)/ deputy CEO**, *retrospectively*:
> Some years after we had introduced WSOP at the beginning of the 1980s, it became clear that everyone else also wanted to produce a paper similar to WSOP and there was not much of a niche for us any more. So, the competitive advantage lasted only for some time. Then we developed another niche product, the world's first film-coated paper FCO. There we had a new way of producing a machine-coated magazine paper. But the slight competitive advantage again lasted for only a couple of years.

> **Metsä-Serla line manager (mill manager of Kirkniemi mill), Ari Antsalo**, *in 1993 (before the introduction of FCO)[374]*:
> We cannot afford to lose momentum – we have to keep developing our products. We have once again managed to get the lead, but if we are not careful, other manufacturers will soon catch up. We have to keep scanning the markets, seeking out new impulses. We need the right ideas to form a strategy for producing more quality paper on more of Kirkniemi's machines.

When it comes to Kymi's "KymTech", already the introduction of the somewhat similar "Solaris" in less than two years made the product slightly more of a standard product. Kymi had made a contract with the machine manufacturer Valmet, so that it would not sell similar machine to competitors for one and a half years. But immediately after this, Valmet rebuilt Enso's Kaukopää mill to produce a quite similar machine-finished coated paper grade.[375] And by 1990, a similar product would be produced and sold also by the Jämsänkoski mill of UPM and the Anjalankoski mill of Tampella, with product names "Jamsamatt" and "Tamedia", respectively[376].

Interests in differentiating products in the 1990s. Recognizing the above problems, the managers became less interested in differentiating products. Nevertheless, they still remained interested in differentiating products to some extent in the 1990s. It would be a translation of e.g. making cost-efficiency less critical, albeit temporarily.

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[373] Alajoutsijärvi 1996, p. 31; Jokinen and Heinonen 1987; Paavilainen 1995;
       Itkonen, Susanna (1998), *The implications of shorter production cycles on liquid packaging board production*. Pro Gradu Master's Thesis, Department of Accounting, Helsinki School of Economics and Business Administration, Helsinki, Finland. p. 100.

[374] Anon. (b) 1994.

[375] Alajoutsijärvi 1996, pp. 131–134.;
       Tikkanen and Alajoutsijärvi (2001), *Kasvuyritysten osaamisen strategiat*, Helsinki, Finland: Metalliteollisuuden Keskusliitto, MET. p. 162.

[376] Ylänen 1990, pp. 110–111.

6.2.4 Attempts at marketing and producing differentiated products to be sold to customers via intermediaries

Mobilizations. By the late 1980s, companies around the world, particularly in the main market areas of the Finnish P&P companies, such as in Europe and North America, were producing and using increasing amounts of printed advertisement materials, such as brochures and direct marketing materials. Printers and print buyers were willing to increasingly print them on coated papers of higher quality, in terms of e.g. brightness and gloss. Companies, particularly consumer good manufacturers in e.g. cosmetics and tobacco industries, were also increasingly willing to package their products in packages made of high quality coated paperboard. Moreover, publishers of high-end magazines were willing to print these magazines on increasingly high-quality coated magazine papers, even on coated fine papers. The number of special-interest magazines was also growing and these magazines were also often printed on high-quality coated magazine papers or on coated fine papers. The manufacturers of copying machines and printers were also advancing in their technology development, which increased the office use of copying machines and printers, as well as the use of office paper, mainly copier paper, or cut-size uncoated fine paper. Moreover, consultant studies, made by the leading P&P industry consultant, Finnish Jaakko Pöyry, emphasized that demand would be growing fastest for higher value added products, such as coated fine papers, paperboards and coated magazine papers. Demand for office papers was anticipated, in the late 1980s, to grow fairly rapidly – faster than that of lower value added products, such as uncoated magazine paper and newspaper, whose demand could actually be decreasing in some market areas, such as the USA.[377]

On the other hand, apart from basic office paper and LWC magazine paper, which started to be rather standard commodity products by the late 1980s, more heavily coated magazine papers, fine papers, and paperboards were not standardized or commoditized to same extent. In a certain market area, there could be products sold with fairly different quality combinations of certain bulk and stiffness and optical properties, such as brightness, opacity, and gloss[378]. Further combinations were developed by producers e.g. by increasing the share of chemical pulp used in mechanical coated magazine papers, resulting in nearly wood-free coated papers, or using different amounts of coating. So, a certain quality combination would not necessarily be sold by many producers in the market area. Moreover, there were also various more or less new, emerging and sophisticated end uses for the products with highest value added. So, not only were the markets growing in the late 1980s, but they were also less developed with no standard commodity product grades available and with more diverse end uses for the products[379].

Interests in producing and marketing differentiated products with high value added since the 1980s. Recognizing the high demand growth, the CEOs, line managers (of mills and, later [see 7.1.2], divisions), development managers, sales managers (of mills and, later [see 6.3.4], own sales offices) and marketing managers (of mills and, later [see 7.1.4], divisions) became increasingly interested in producing and marketing more of the higher value added paper and board products. This would also be a further translation of the interest in producing and marketing differentiated products, as the markets for products with higher value added were less developed with less standard commodity product grades available and with more diverse end uses for the products. It would be relatively easy to introduce differentiated products in a market area differentiated from those of most competitors and price them according to the value customers obtained from them instead of having to be satisfied with the market price.

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[377] Interviews (e.g. with Taukojärvi 30.9.2005; Hirsch 26.10.2005).
[378] Haarla 2003, p. 108.
[379] Rohweder 1993, p. 88; Haarla 2003, p. 140.

On the other hand, the customers that were willing to use higher-quality products for a certain end use but were not willing to pay the high price of those products that were currently available in the market were again recognized. Recognizing them, the managers became increasingly interested in producing and marketing just differentiated products with high value added that would be appropriate to certain end-uses and have a certain quality level but have a more economic price than the price of such products available in the market that would be appropriate to the same end-uses with approximately the same quality level – i.e. differentiating the products with yield or cost. For instance, there would already be e.g. premium quality, bright and glossy coated fine paper products in the market in the early 1980s. But they would mainly be produced with small machines and with lots of handiwork, with the result that their price was quite high. If the production of these kinds of products could be made essentially more efficient and mass-production-oriented, they could be provided to certain market areas at somewhat more economic prices. This would mean that the actual new product would not be that different from some of the existing ones in terms of technical quality, but the differentiation would, again, be based on price, or cost to the customer, too. The same would be true for premium quality, bright, and glossy coated paperboards.

Nevertheless, as far as coated paperboards were concerned, there would also be a product type which was quite novel altogether still in the early 1980s, i.e. paperboard used in printing high-quality picture postcards, greeting cards, book and catalogue covers, posters, product tags, cassette covers, calendars, menus, games, playing cards, advertising materials, etc.[380]. Using coated paperboard for these end-uses, rather than heavy paper grades as usual, had recently been made possible by so called double blade coating, which enabled the paperboard to have smoothness and gloss demanded. In comparison with heavy coated paper grades, these coated "graphic boards", which were thin multi-layer boards, offered the advantage of lower weight relative to thickness and stiffness – meaning much more printing surface for the same tonnage price and lower mailing costs.

Interests in marketing and selling differentiated products with high value added since the 1980s.
When it came to coated paperboards and magazine papers, for part of the production, the P&P corporations, or the sales associations, had direct relationships to customers buying these products. The sales offices would sell part of the production directly to end-users. Coated paperboards would be sold as packaging boards directly to packaging printers, or manufacturers. Coated magazine papers would be sold to publishers or their printing houses to be used in magazines or other publications. Publishers and their printing houses could also be sold coated *fine* papers directly, also to be used in high-end publications, and coated paperboards could be sold to them to be used in the covers of these publications. The customers served directly would be large, buying large amounts of paper and boards in reels, and in large order sizes. They would also be relatively few, a few hundred in e.g. Europe. Basically, they would all be, at least in the main markets in Europe, familiar with the Finnish P&P corporations – or, often, the sales associations Finnpap or Finnboard or their country-specific sales offices. Their top managers were often familiar with the top managers of the corporations, all the way to the CEOs. Fairly long-term supply contracts would often be made with these customers: in the contracts, approximate volumes supplied would be agreed for e.g. six months or a year in advance. New, differentiated, higher value added coated paperboard, coated magazine paper, and coated fine paper products could be promoted and sold to these customers in a similar way like was done with "WSOP" or "Solaris".

Nevertheless, recognizing that also among smaller customers the demand for these products was growing fast, the CEOs, line managers, development managers, sales managers,

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[380]   Anon. (e) (1994), "Visual Pleasure by Galerie", *Metsä-Serla News,* Winter 1994-1995, pp. 6-7.

and marketing managers became more interested in marketing and selling differentiated coated paper and board products with higher value added also to smaller customers. There would be considerable and growing customer demand for coated paper and paperboard products not only among large publishers, printers, and package printers, but very much also among smaller commercial printers. The number of these printers would be close to tens of thousands in Europe alone. The commercial printers would buy small amounts of paper and board, not so much in big reels but often mainly or merely in pallets of sheets. They would use the coated paper e.g. in printing brochures and catalogues for advertisers, as well as high-quality books. Coated paperboard would be used in e.g. printing the covers of different kinds of brochures and catalogues.[381]

Specifically, the managers became more interested in marketing and selling differentiated coated paper and board products with higher value added to smaller customers particularly *indirectly via merchants*. Namely, the P&P corporations would not be able to serve these small customers individually, due to their geographical dispersion, their large number, and the small, frequent, and fast deliveries they demanded[382]. A corporation could directly deliver orders only from 10 or 20 tons up, with a delivery time of weeks, whereas the order sizes of individual commercial printers could be counted even in kilograms and needed delivery times in hours or days. Moreover, the new products could not even be reasonably promoted but to a fraction of the commercial printers, due to their large number.

So, there were the intermediaries, i.e. merchants, that would buy larger amounts of paper and board from the producers, stock them, and sell and deliver them to local commercial printers, supplying to their small orders. A similar distribution model was already used by the P&P corporations in relation to some lower value added standard products going to commercial printers, as well as office paper going to businesses and offices. A merchant or a subsidiary of a merchant chain would maintain close relationships to the local customers, aspiring to be the only suppliers of paper and board products to them. In the case of medium-sized commercial printers this would actually mean that the merchant would sell even large orders to them as indent. In indent sales, which could even constitute up to half of the merchant's volume, the merchant would take orders from the end-customer commercial printer and invoice him, but the ordered products would be delivered directly from the producer. The indent sales would be a very profitable business for the merchants, as they did not have to do stocking or delivery for the orders but could still benefit from the sales margin. They would be very determinate in keeping the indent sales to themselves, not allowing the producers to sell and invoice larger orders of small- and medium- sized commercial printers on their own. The producers would not be able to force the merchants to this, either, if they wished to continue doing business with the merchants and have them serve the small and medium-sized customers[383].

Further, the managers became specifically interested in promoting the differentiated products with high value added both to merchants and to end-customers. As far as merchants are concerned, the P&P corporations would have to find merchants operating in certain regions or countries to whom the product would be promoted, so that the merchant would take the product into its selection. This could be done by salespeople's personal selling work, possibly with the prior sending of promotional materials to a large number of merchants. Usually, the aim would be to find one merchant or merchant chain per region or country, sometimes in several countries or regions. The merchants would not usually take the product into their selection if they could not sell it exclusively in the region they operated in.

As far as end-customers are concerned, in selling e.g. uncoated fine paper products to be sold via merchants, especially office paper, this promotion to the end-customers was not so

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[381]   Interviews (e.g. with Tuomarila 18.3.2003; Taukojärvi 30.9.2005).

[382]   Ibid.

[383]   Muona 1997, p. 89.

important, as these products were, by the late 1980s, highly standardized. But in introducing and selling new and differentiated coated fine paper and paperboard products, finding a merchant willing to sell the product would not necessarily be enough. First of all, it would be important to have the merchant put effort into promoting the new product as unique to customers. But the sales and marketing staff of the mill could also promote the product to some extent to end-customers. This would further increase pull demand for the products.

Finally, the managers were interested in agreeing with merchants about how the product would be promoted to the end-customers. Some merchants would consider it beneficial that the corporation or its mills promoted the products directly to end-customers, as the merchants would not have to put so much effort into the promotion themselves. However, with some merchants, conflicts would arise. A merchant would generally like to concentrate on promoting itself as a supplier of a wide selection of papers and not so much on individual products of producers, the brands of the producer, or the producer. They would want to use mainly their own promotional materials, presenting the products and the product selection. Moreover, some merchants would not want the producer to be extensively in contact with the end-customers, e.g. to avoid the customer beginning to trust the producer as its supplier rather than the merchant or to trust a product or a brand to an extent that the merchant's supply or product selection decisions would be limited. If promotion, or "back selling", was made by the producer directly to the end-customer, it would have to occur in cooperation with the merchant. The same was, to some extent, also true with promoting the products to the actors who had significant influence on commercial printers' buying decisions, such as advertising agencies, and graphic designers and even the print buyers, or companies to whom the designers designed and printers printed the printing work. Indeed, the managers became more interested in promoting the differentiated coated paper and board products to them, too, in the late 1980s.

Mobilizations. As an example, the interests related to producing and marketing differentiated coated paper and board products with higher value added, as well those related to marketing and selling them were strong, as Enso's Kaukopää mill introduced a differentiated new coated paperboard product in the early 1980s. It was initially targeted mainly at European cigarette producers-packagers directly, and later also other to other customers requiring very high printing quality, such as candy-, food-, and perfume-packaging manufacturers. The product, to be called "Ensocoat", was tasteless, smellfree, and whiter than other products in the market and was aimed at customers of another company, the Swedish company Iggesund, whose "Invercoat" was the only fairly similar product sold in the targeted market areas. On the other hand, the product was promoted and sold, to some extent, also to merchants who would, in turn, sell it to commercial printers to use as cover material for books, brochures, and telephone directories.[384] The salespeople of Kaukopää mill developed promotional materials such as brochures and sample folders, as well as calendars, postcards, and posters showing the use of the product. A promotion package was mailed to potential customers, packaging printers and merchants, who responded to a premailing. The promotion package even included a comparison of Enso's and Iggesund's products. In addition to direct mail, the promotional materials were used by the salespeople of Enso's sales office network, as well as the mill's own sales and marketing people, should they visit some large customers themselves.

As another example, the same management interests were strong, as at the time when Enso's Kaukopää mill introduced its new coated paperboard product, Serlachius's Tako mill introduced quite similar premium products while rebuilding its machines. They were also to be used mainly as packaging boards by large packaging printers e.g. in the cosmetics, luxury, and tobacco products industries but also as graphic boards by commercial printers, who would be

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[384]   Vihma, Päivi (1986), "Massasta nousee merkki", *Talouselämä*, 18, pp. 88–89.
    Syrjälä 1995.

served by merchants. These products, called "SuperFine Art Board" and "TakoLux" were also fairly heavily promoted, by Tako's own sales and marketing people, but also by Finnboard's sales offices, around Europe and the whole world.[385]

An example of a new differentiated coated fine paper product, in turn, is the new coated fine paper product introduced by Metsä-Serla's Äänekoski mill at the end of the 1980s. When rebuilding one of its machines in the late 1980s, the mill developed a triple-coated art paper product of premium quality, which would serve the most demanding customers of all, such as commercial printers printing high-quality product brochures and art book publishers. The product came to be sold first in Finland, Scandinavia, and present-day Russia, where the existing few premium quality coated fine paper products sold were rather expensive, produced by small machines. For instance, in Finland, there were basically two products of quite similar quality in the market, "Luxoart" and "Kaubelart", produced by machines of private Haarla and Kauttua mills, respectively, with approximately 20,000 tons of annual volume. Äänekoski could produce paper of similar or even higher quality, at a capacity of about 150,000 tons per year, with significantly lower cost.[386] With its differentiated combination of premium quality and economic price, the new product, to be called "Galerie Art", soon gained large market shares, e.g. approximately 60 percent in Finland[387]. As the product would, since 1988, be sold mostly to commercial printers in sheets via merchants, Äänekoski mill increased it sales and marketing resources to develop promotional materials, together with an advertising agency, for the use of the sales offices of Finnpap in marketing and selling the product to merchants mostly in Finland and Russia. Also backselling was started with the mill's own sales and marketing people to commercial printers and advertisement agencies.

[management interest (in corporate branding) mI#5 *continued)*]

Developing and maintaining strong product brands (*products sold also via merchants*)

Interests in developing and maintaining strong product brands – for products sold also via merchants since the 1980s. In the 1980s, the marketing managers (of mills and, later [see 7.1.4], divisions) and sales managers (of mills and, later [see 6.3.4], own sales offices) became more interested in developing strong brands particularly for products sold also via merchants. This would be a translation of marketing and selling differentiated products with higher value added, also via merchants. Moreover, recognizing the problems related to differentiating products, particularly that differentiated products could soon be imitated by competitors and become standardized or commoditized, the managers became more interested not only in developing strong brands, but also in maintaining them.

End-customers, such as smaller commercial printers, would not necessarily know or be interested in the mill or corporation producing the product. They would mainly have the local merchants as their trusted suppliers of a selection of graphic paper and board products catering to their various printing needs. Often, this kind of end-customer would rely on the local merchant he was used to dealing with for recommending a paper product for a certain end-use. The merchant would recommend a certain paper from its product selection. Nevertheless, the end-customers would often also come to trust certain products. More

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[385] Interviews (e.g. with Sahlstedt 10.3.2005; Karell 23.2.2005).

[386] Interviews (e.g. with Paananen 1.11.2005).

[387] Interviews (e.g. with Paananen 1.11.2005);
Kettunen 2002, p. 29;
Anon. (d) (1994), "Top European merchants ready to boost sales of Galerie Art", *Metsä-Serla News,* January, p. 9.

precisely, through experience, they would come to trust products sold with certain brand names by their local merchants as being appropriate for certain needs or end-uses of theirs with a certain consistent quality level. End-customers could also come to have slight emotional bonds to the product name and products. Moreover, advertisement agencies and designers, designing the materials ordered by e.g. print buyers from commercial printers, would also have such trust and slight emotional bonds. Based on the trust and slight emotional bonds, printers could buy the products sold with the name out of habit or loyalty – or advertisement agencies and designers could determine the product to be used.[388]

Importantly, the trust, bonding, and loyalty would remain, to some extent, also when competitors would start to promote similar products later, making the product itself a more standardized commodity product. If the customers had trust and bonds and were loyal to the product sold with the corporation's brand name, they would buy that product instead of a similar product offered by a competitor. Finally, the customers could be willing to pay premium prices for these products relative to competitors' products claiming to be appropriate for the same needs and end-uses with a similar quality level, due to their trust that the former products would be more appropriate and/or have better quality level, as well as due to their slight emotional bonds.[389]

The above kinds of product names would be strong product brands among the customers and designers. Most of the strong brands would be strong locally: products with locally strong product brands would be produced on a rather small scale by local producers, sold by the local merchants to local end-customers, and trusted by and bonded to local customers and designers. For instance, "Luxoart" (Haarla) and "Kaubelart" (Kauttua) were strong premium coated fine paper brands in Finland and present-day Russia in the 1980s. But some strong brands would be strong on a more general level: products with more generally strong product brands would be produced on a larger scale by a producer, sold by merchants around e.g. Europe to their local end-customers, and trusted by and bonded to all these end-customers.[390]

Examples of generally strong brands would be e.g. "ikono" and "Chromolux" brands of coated fine paper and board of the German producer Zanders and "Job" coated fine paper brand of the French producer Job Parilux[391]. In coated paperboard, a further example could be "Invercoat" of the Swedish Iggesund, mentioned earlier[392]. Actually, they could be somewhat strong also to many customers buying them directly, such as to publishers and their printers and to package printers. However, the direct customers would mostly trust the mill or corporation producing the products, the brand name related to the brand just making transactions with the salespeople easier, referring to a specific product. On the other hand, customers mainly served via merchants, as well as advertisement agencies and designers, would have high trust in products sold with the brand name, not necessarily even knowing or being interested in knowing the producer.[393]

So, the managers became interested in building, as well as maintaining, strong brands, as a translation of marketing and selling the differentiated products with higher value added to smaller customers via merchants – and somewhat recognizing the problems related to differentiating products, particularly that differentiated products would soon be imitated and become standardized or commoditized. The interest in building and maintaining strong brands for products which were sold also via merchants was even stronger than for products sold to

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[388]   Ibid.

[389]   Ibid.

[390]   Interviews (e.g. with Paananen 1.11.2005; Rehn 23.8.2005; Olsson 21.10.2005; Tuomarila 18.3.2005; Taukojärvi 30.9.2005).

[391]   Ibid.; Mikkonen 1995.

[392]   Interviews (e.g. with Karell 23.2.2005; Sahlstedt 10.3.2005).

[393]   Interviews (e.g. with Paananen 1.11.2005; Rehn 23.8.2005; Olsson 21.10.2005; Tuomarila 18.3.2005; Taukojärvi 30.9.2005).

direct customers only, who would mostly trust the mill producing the products, rather than the product brand name. However, there was also the interest in developing brands in the sense of having customers perceive new differentiated products sold with certain brand names as quite new and different kinds of products relative to other products in the market – as had largely been the case already with differentiated products sold to direct customers, such as publication paper products.

Mobilizations. The interests in developing and maintaining strong brands were strong, as the brand names were given a highly visible role in different product communications materials related to the differentiated products with high value added. Particular logos presenting the brand names were designed, as well as visual styles of packages and wrappings, where the brand names, or logos, were presented visibly. Also e.g. brochures, sample folders, and trade press advertisements were given particular visual styles where the product names/logos were dominant. Even promotional events around the brand name were arranged for end-customers and merchants. Moreover, the interests were strong, as the brand names in themselves, besides the style of the packages, promotional materials and events, were designed to appear attractive and create positive emotions in the customers.

    When it comes to the above examples, the coated art paper of Metsä-Serla's Äänekoski mill was given the name "Galerie Art", reflecting the product's high-end use of art publication standard. The promotion and selling, bringing the name visibly to the front, concentrated on building a strong brand of the product.

> **Metsä-Serla marketing manager**, *retrospectively*:
> Up to the late 1980s, brand building had been more relevant in consumer products. But it perhaps came more to these business-to-business products when we introduced to the market our first Galerie product, which was Galerie Art, which was launched in '89. I was at that time at Äänekoski, launching it. It was then we had the idea that there has to be more than a good product. That we have to know how to bring it to the markets and customers by means of marketing, promoting, and branding.

> **Metsä-Serla marketing manager**, *retrospectively*:
> Galerie Art was, kind of, the first real brand – at least in the history of this company – whereby we put effort into a product brand... We did a lot of work with the logos and wrappings and everything... It was completely new, as until then it had been so that paper reels had been wrapped into some brown kraft paper and stamped at the top. And now we started to have design agencies that made them...

Enso's coated paperboard product was named "Ensocoat". Partly this reflected the practice that had been somewhat common in the corporation: using part of the corporate name in products. But, building the product name into a brand was also strived for, to have customers perceive and trust "Ensocoat" as the whitest, most high-end paperboard available for packaging and graphic use. It was, for instance, the first product for which Enso's paper group built an advertising campaign with an advertisement agency.[394]

> **Enso/Stora Enso marketing manager**, *retrospectively*:
> Ensocoat was probably the first product brand of ours, and still one of the few. That's when we started to strongly build a brand. Ensocoat would be used to some extent in cosmetics and tobacco packaging but very much also as graphic board by printers, to whom it would be sold via merchants. And there we wanted to build a strong brand. We had promotional campaigns aimed at merchants and the tobacco industry etc.

On the other hand, the fairly similar coated paperboards developed approximately at the same time by Serlachius's Tako mill were named "SuperFine Art Board" and "TakoLux":

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[394] Vihma 1986; Syrjälä 1995;
    Lindberg, Leif (1991), "Enso paremman kilpailukyvyn jahdissa Kaukopäässä", *Paperi ja Puu – Paper and Timber*, 73 (6), pp. 490-492.

Finnboard/Metsä-Serla/M-Real sales manager, *retrospectively***:**
It was in the 1980s, perhaps starting from '83 when the Tako board mill was renovated. Then they introduced SuperFine Art Board and TakoLux. These were perhaps the first attempts to bring the product name up. Before that, as far as competitors are concerned, the pioneer had been Iggesund's Invercoat, which had been introduced a couple of years earlier. And which still exists. We, on the other hand, started to talk more about this in the mid '80s when we started to direct ourselves more towards the end customers…

However, as these coated paperboard products were mainly targeted at large packaging printers or manufacturers, directly served by the sales offices of Enso or Finnboard, the customers would mostly trust the mill producing the products rather than the product name as such. The product names related to the brands would be more like making customers' transactions with the salespeople easier, referring to specific products of these mills capable of producing premium products. Thus, more than individual product brands, e.g. the boards of Tako mill overall, "Tako boards", were highly known and trusted as premium quality boards:

Finnboard/Metsä-Serla/M-Real sales manager, *retrospectively:*
Indeed, in the mid-1980s we introduced Tako Lux and SuperFineArtBoard to the market. And here in America, people still talk about the boards of Tako mill, or Tako boards. It kind of refers to extremely high-quality European carton. Customers, end-users and people still get the point when we present ourselves as "the people who sold Tako boards". People still remember us. Tako boards had such glory that you can still use it as sales argument to some extent…

6.2.5 Attempts at marketing and producing differentiated products to be sold to consumer-like customers (offices)

Mobilizations. In the late 1980s, manufacturers of copying and printing technology were advancing in their development efforts. One important technology being developed was colour copying and laser printing technology. The manufacturers were introducing less and less expensive colour copying machines and laser printers to the market. Accordingly, demand for new kinds of paper products suitable and optimized for these technologies was increasing. Colour copying and laser printing would be used by commercial printers in the production of high-quality printed materials in small quantities and at short notice. These "digital presses" would, for instance, provide advertisers customized advertising materials, albeit with lower quality and speed than traditional presses. Namely, in digital presses, printing four-colour images on paper could be controlled individually for each sheet directly by a computer storing the images as digital files, whereas in traditional presses, one image would be prepared on a printing surface and multiple reproductions of it would be made as replicas. Nonetheless, companies and public institutions would also be increasingly acquiring colour copying machines and colour laser printers for their offices and, hence, demanding appropriate paper products.[395]

Interests in marketing and selling differentiated colour copying and laser printing papers since the end of the 1980s. The line managers (of mills and, later [see 7.1.2], divisions), development managers, sales managers (of mills and, later [see 6.3.4], own sales offices) and marketing managers (of mills and, later [see 7.1.4], divisions) were increasingly interested in introducing new and differentiated colour copying and laser printing papers since the end of the 1980s. When it came to marketing and selling the products to merchants and commercial printers, they could be promoted largely in the same way as differentiated coated paper and board products, such as "Galerie Art", described above.

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[395] Interviews (e.g. with Simelius 12.4.2005; Tuomarila 18.3.2005).

Nevertheless, recognizing the high demand growth among them, the managers became more interested in marketing and selling differentiated colour copying and laser printing papers also specifically to office customers, such as companies and public institutions, beyond commercial printer customers.

Further, the managers became interested in marketing and selling differentiated colour copying and laser printing papers to office customers indirectly specifically via merchants. The number of companies and public institutions would even be much higher than that of commercial printers. Companies and public institutions would buy mostly sheeted paper for use in their copying machines and printers, albeit that some could still, in the late 1980s, buy paper in the continuous format. They would vary considerably in their sizes, in terms of machines and their users.[396] Generally, the P&P corporations would not be able to serve or promote to these customers individually, either, due to their geographical dispersion, large number, and often very small order sizes. So, again, there would be the merchants that would buy larger amounts of paper, stock it, and sell and deliver them to companies and public institutions, supplying to their small orders.

In delivery to small companies and public institutions copying and printing paper, there could even be further intermediaries, such as stationery wholesalers and shops. Small companies and public institutions would buy the copier and printing paper they needed from their local stationery shop or retailer, often by going to the nearest shop or retailer and simply choosing some of the products available. The stationery shops and retailers would be supplied by merchants, or the case of larger chains, directly by the mills. The small businesses and offices often liked to buy colour copying or laser printing paper at the same time as basic copier paper, and possibly other office supplies. These customers could also go to the store that sold them the copying machine or printer and buy the papers there or have this store deliver the papers to them.[397]

On the other hand, large companies and public institutions would buy copier and printing paper from local merchants, regional offices of copying machine manufacturers, or in some rare cases even directly from local mills. Many copying machine manufacturers, with their regional offices, would, indeed, often want to be in the paper business, buying paper from mills and selling it on to businesses and offices. The large businesses and institutions would demand the paper to be delivered to their offices and also often liked to have the same supplier for colour copier and laser printing paper as for the basic copier paper. When buying the paper, they would emphasize the performance of the supplier, such as the continuity, speed, reliability and promptness of deliveries to the customers' offices. A merchant, regional office, or sometimes a mill perceived as performing well on these criteria could get a longer-term contract to take care of a customer's continuous needs. What could also be important was a package offering combining copier paper and copier machine maintenance – offered often by copier machine manufacturers, or a bundled offering combining copier paper with other stationery products, such as envelopes – often offered by a merchant. Sometimes these customers, particularly public or state-governed companies and institutions, would prefer paper produced in their own country.[398]

Mobilizations. As an example, the interests in marketing and selling differentiated colour copying and laser printing paper were strong, as Enso's Tervakoski mill developed a differentiated product when rebuilding its machine at the end of 1980s. The product was to serve the rapidly growing number of customers and end-users interested in taking advantage of

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[396]   Interviews (e.g. with Hennig 7.11.2005; Paananen 1.11.2005; Lahtinen 11.1.2005);
Rosenbröijer 1994.
[397]   Ibid.
[398]   Ibid.

the quickly developing colour copying and laser printing technologies. At first, it turned out to be difficult to find merchants to sell the product to end-customers, such as companies or offices, and to target such merchants with appropriate promotion. Later in the early 1990s, Enso further developed this product to better suit higher-performance digital presses of commercial printers – this kind of press technology would be introduced in 1993 by manufacturers such as Indigo and Agfa, whose digital press operations would soon be spun off under the name Xeikon. The development of Tervakoski's paper was done in cooperation with printer manufacturers, mainly Agfa, which would be first to introduce digital rotary printing machines to the market. The renewed product, also appropriate for the digital presses of commercial printers, would be introduced in 1993.[399]

[management interest (in corporate branding) mI#5 (*continued)*]
Developing and maintaining strong product brands (*products sold via merchants also to office customers*)

Interests in developing and maintaining strong product brands – for products sold also to office customers since the early 1990s. In the early 1990s, the marketing managers (of mills and, later [see 7.1.4], divisions) and sales managers (of mills and, later [see 6.3.4], own sales offices) became more interested in developing and maintaining strong brands particularly for products sold to office customers via merchants. This would be a translation of marketing and selling differentiated colour copying and laser printing papers. Moreover, recognizing the problems related to differentiating products, particularly that differentiated products would soon be imitated and become standardized or commoditized, the managers became even more interested in developing and maintaining strong brands.[400]

Companies and public institutions, as office end-customers, would often buy products sold with strong brands. The customers would potentially come to trust the products sold with a particular brand name as being the most appropriate in a particular use, with the best quality level, have slight emotional bonds to it, and, hence, be loyal to buying the product and pay a premium price for it – even if similar products would enter the market, sold with other mills' brands or even with merchants' private labels. Among office customers, trust in the product name, gained through the experience of using products sold with the product name, as well as the emotional bonds, would be particularly important, since the persons buying paper for these offices seldom had enough expertise to infer or trust the quality of products based on their technical specifications. So, the managers became interested in building and maintaining strong brands for products which were sold also to office customers – even more than for products which were sold to commercial printers or direct customers only, such as coated fine papers, let alone publication papers.[401]

Mobilizations. The interests in developing and maintaining strong brands were strong, as the brand names were given, again, a highly visible role in different product communications materials related to the differentiated products with high value added. Particular logos presenting the brand names were designed, as well as visual styles of packages and wrappings, where the brand names, or logos, were presented visibly. Also e.g. brochures, sample folders, and trade press advertisements were given particular visual styles where the

[399] Rytkönen 1996, p. 19.
[400] Interviews (e.g. with Hennig 7.11.2005; Paananen 1.11.2005; Lahtinen 11.1.2005);
       Rosenbröijer 1994.
[401] Ibid.

product names/logos were dominant. The interests were strong also, as even promotional events around the brand name were arranged for end-customers and merchants. Moreover, the interests were strong, as the brand names in themselves, besides the style of the packages, promotional materials and events, were designed to be attractive and create positive emotions in the customers. Actually, in introducing, promoting, and selling products to office customers, the attractiveness of the product name in itself, as well as that of the style of the packages, promotional materials and events, were considered especially important in creating positive emotions in the customers.[402]

However, the office paper end-customers often trusted most in new office paper products sold with the name of copying machine or printer OEMs as being most appropriate for their use at the best possible quality level, particularly when it came to the functionality of the paper in their own new machines and printers (see p. 139). So, when it came to new office paper products for new kinds of copying and printing technologies, the OEM brands were strong and marketing and selling paper products with a brand name other than the OEM brand name was sometimes difficult.[403]

Interests in developing and maintaining strong product brands – with OEM recommendations in the early 1990s. Recognizing the problem of end-customers having the most trust in new office paper products sold with the name of OEMs, the marketing managers and sales managers became more interested in introducing, promoting, and selling the new differentiated product not only with a new name of their own, but also in communicating recommendations by OEMs.

For many end-customers, knowledge that the paper had been developed, approved, recommended, and/or sold by specific OEMs was enough to create the trust. A P&P corporation, or mill, which developed a new differentiated office paper for a new copying and printing technology largely on its own could create customer trust in the paper with its own product name if the communication to customers could emphasize the cooperation, approval, and recommendation of the OEMs. This would make end-customers more willing to buy the product and, accordingly, merchants, too. Actually, the same would be true, to some extent, also for commercial printers as end-customers, if a new paper product for a whole new kind of printing press technology was to be introduced. Moreover, being the first product of a certain quality in the market and the first to be recommended by OEMs could develop the product name into a strong mill brand.[404]

An OEM, in turn, could be willing to give its recommendation e.g. if it wanted the producer of the paper to be traceable for the customer and have it take responsibility of problems with the paper. Namely, a typical problem for an OEM was that even if a functionality problem with copying or printing was due to a paper problem, the customer would think the problem was with the machine. These kinds of problems would be likely in the case of new, potentially somewhat unstable and unreliable technologies and papers – like the new digital printing presses in the early 1990s. On the other hand, if the OEM knew that certain new and differentiated product functioned best in its machines, recommending it to the end-customers was beneficial: if the end-users used some other paper with which the copying or printing did not function equally well, they would, again, tend to blame the machine and the OEM. Finally, the mill of the P&P corporation might not have enough

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[402] Ibid.

[403] Ibid.

[404] Rytkönen 1996;
Interviews (e.g. with Simelius 12.4.2005).

capacity, in the short run, to produce the differentiated paper to be sold extensively by the OEMs under its own name, on the international level.[405]

Mobilizations. When it comes to the above example, the interests in developing and maintaining strong brands particularly for products sold to office customers via merchants were strong, for example, as Enso's Tervakoski mill introduced the new colour copying paper in 1989. However, promoting and selling it with the name "Terreus" to merchants was not very effective. The mill developed the product further, having some cooperation with OEMs such as Agfa. Agfa, as well as OEMs such as Indigo and Rank Xerox, were heavily developing the laser printing technology with the aim of introducing digital presses aimed at commercial printers. The interests in introducing, promoting, and selling the new differentiated product not only with a new, own name, but also in communicating recommendations by OEMs were strong, as Tervakoski mill pursued recommendation of Agfa – later Xeikon – for the renewed product to be used with its new printer introduced in 1993. The interests were strong, as the product was renamed "4CC", reflecting the end use as 4-colour copy paper. They were strong, as the colourful and innovative packaging, advertising, and sales promotion materials designed for the product, strongly bringing up the name, were made to deviate much from traditional paper promotion. "4CC" was heavily promoted in many countries to merchants and to end-customers, i.e. printers and offices, as well as to advertising agencies. Promotion to end-customers was done in close cooperation with merchants. Sales support material was developed for Enso's salespeople and merchants and extensive exposure was acquired in the trade press and exhibitions. Moreover, "4CC" was later also sold to colour copier and printer machine manufacturers, such as Canon, which sold it further mainly to offices using their copiers and printers. Quite soon "4CC" developed into quite a strong brand in the field of colour laser copying and laser (digital) printing.[406]

> **Enso/Stora Enso marketing manager**, *retrospectively:*
> What was some kind of pioneer was the brand 4CC, a four-colour copy paper, which is where the name comes from: 4 Colour Copy. We built a lot of promotion, hype and events around it. And it worked fine.
>
> **Enso/Stora Enso marketing manager**, *in 1999*[407]:
> 4CC was differentiated from the competition as a premium product. It was to be sold in the wrapping and packaging of the mill, as a mill brand. It would be priced to have better margins.
>
> **Enso marketing manager**, *in 1998*[408]:
> [Already in 1995,] 4CC was a strong brand and we had done a lot of work on it. It was well known in the field of digital printing, despite the fact that it had first been developed for colour copying. After all, 4CC was the paper grade that Xeikon recommended when it launched the first digital rotary presses on the market.
>
> **Enso marketing manager**, *in 1996*[409]:
> Now everybody associates digital printing with 4CC.

[405] Ibid.
[406] Rytkönen, p. 20.
    Munter, Sami (2000a), "Stora Enso on digitaaliajan kärjessä", *Stora Enso Global,* Syyskuu, pp. 21–21.
[407] Niiniluoto, Markku (1999), "Enso: Paperi myydään pakkauksella", *Kampanja,* 3, p. 19.
[408] Illi, Anita (1998), "Tieto ja kokemus lisänneet digitaalisten papereiden kysyntää", *Paperi ja Puu – Paper and Timber,* 80 (6), pp. 406-407.
[409] Rytkönen 1996, p. 102.

6.2.6 Intermediaries growing in size and demanding the possibility to sell commodity products with private label brands

Mobilizations. If the differentiated publication paper products sold directly to publishers and their printing houses did not stay very differentiated for long, the differentiated coated fine papers and paperboards and copying and laser printer papers did even less so. For instance, when it comes to colour copying and laser printing paper or digital paper products, Enso's "4CC" faced, already in the mid 1990s, competition in most market areas from highly similar products of other producers – e.g. from Metsä-Serla and its "Galilei" products, introduced in 1997[410]. But when it comes to coated fine papers, the commoditization was even more drastic. It was also most interesting to managers, as the coated fine papers came to constitute a significant proportion of the corporations' production and sales – the production and sales of the few differentiated publication paper products, as well as that of e.g. colour copying and laser printing paper, remained much more marginal.

Actually, at the same time when e.g. Metsä-Serla's Äänekoski mill introduced "Galerie Art" in the late 1980s and started marketing and selling it mainly in Finnish and Russian markets, where it was quite differentiated, other producers in Europe introduced products of fairly similar quality in other European market areas. Approximately ten similar machines of same or even somewhat larger size were built or rebuilt to produce high-quality coated fine paper in Europe. In many market areas in Central and Western Europe, there started to be coated fine papers of similar high quality sold by different producers for rather low prices. But, in the Finnish market, where Metsä-Serla sold "Galerie Art" through a major merchant, Amerpap, there weren't products of a similar quality-price combination sold by many producers yet. Kymmene did sell "nopaCoat", which it produced in its Nordland mill in Germany, through the other major merchant Paperi-Dahlberg, but the volume was small, as the production could be quite easily sold in e.g. the German market. The production of "Galerie Art" could, in turn, mostly be sold to the Finnish, Russian and Scandinavian markets.[411]

In the early 1990s, when the demand for high-quality coated fine paper was growing strongly, Veitsiluoto built, in its Oulu mill, an even bigger and more cost-efficient machine. This, the first combination of a giant fine paper machine and a giant coater of approximately 9 meters in width in Europe, capable of producing more than double the volume relative to e.g. Metsä-Serla's Äänekoski mill's production, was started up in Oulu in 1991-1992. The product was close to the quality of the premium quality papers, such as "Galerie Art", but, again, could be priced lower, due to the cost-efficient machine. And rather than merely in local market area, the large production would be sold, in sheets, to merchants all over Europe, as well as overseas. To the extent that the product was somewhat differentiated in terms of the price-quality combination, or yield, the management interest was strong, again, in building and developing a strong brand for the product. "Lumiart" was promoted and sold to merchants in dozens of countries. Nevertheless, as the quality of the product was highly similar to those already sold in the market areas, many merchants in e.g. Central and Western Europe, which had started to chain up and grow larger in size, demanded the possibility to sell the product under their own private label brands, to build somewhat strong brands for themselves. On the other hand, Oulu could only produce lighter substance weight versions of "Lumiart", which meant the merchants would have to sell heavier versions from other producers anyway, with other brands, or their own private labels. So, to get the production sold, Veitsiluoto let some merchants sell the product with their

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[410] Lindberg, Leif (1997a), "A step towards the future", *Metsä-Serla News,* 3, pp. 12–15.

[411] Interviews (e.g. with Paananen 1.11.2005; Hennig 7.11.2005).

own brands in some market areas, while building the "Lumiart" brand itself in such market areas where there was a merchant willing to support the brand.[412]

The introduction of the high production volume of Veitsiluoto's Oulu mill to European markets, sold with its own "Lumiart" brand by some merchants and with private labels by others, meant that high-quality coated fine paper became more of a standard commodity product in many market areas, since the new product would come to compete with the highly similar products that were already sold in each market area. To a large extent, the producers of products highly similar in quality would start to compete with the new one with price. For instance, "Lumiart" took market share from "Galerie Art" in Finland and Russia.[413]

Interests in marketing and selling the most premium coated papers to the most demanding customers in the 1990s. Recognizing the high-quality coated fine papers becoming commoditized and the increasing price competition, the CEOs, line managers, sales managers and marketing managers of Metsä-Serla, for instance, became more interested in marketing and selling more of the product in other market areas than where it was mainly sold originally. The managers became more interested also in selling the product to the most demanding customers in the market areas. This would be a translation of having the product sold for slightly higher prices. Namely, e.g. "Galerie Art" could still be claimed to have slightly higher quality than many other coated fine papers, such as Veitsiluoto's "LumiArt", and could serve the needs of the most demanding customers of all, who would not be willing to compromise on quality at all. The other products, still slightly lower in quality, would be bought by slightly less demanding customers.[414]

Mobilizations. For instance, the management interests in marketing and selling more of the production in other market areas than where it was sold originally and to the most demanding customers were strong, as Metsä-Serla started to promote and sell more of the "Galerie Art" production in Sweden, Norway, the UK, France, the Baltic, and other countries – in the early 1990s, when Veitsiluoto started price competition with its "Lumiart" and took market share from "Galerie Art" in e.g. Finland and Russia. As "Galerie Art" could be claimed to be a slightly more premium, more heavily coated fine paper, it would be promoted and sold to the most demanding customers of all in those market areas, while Veitsiluoto's product and products similar to it would be bought by slightly less demanding customers.[415]

However, some problems emerged with sales associations in marketing and selling the products. The sales offices and salespeople of the associations were organized and used to selling – or taking orders of – reeled commodity products such as newsprint, magazine paper, and corrugated board in few reel widths, directly to few customers and making and maintaining rather long-term contracts with them. They were not used to or skilled in selling differentiated high value-added products in tens of sheet sizes to merchants in various countries. And they were even less used to (back-) selling or marketing these products directly to a large number of end-customers, such as commercial printers, who were buying small amounts of paper or board from the merchants without long-term contracts or established supplier-customer relationships, or to advertising agencies.[416]

> P&P corporation marketing manager, *retrospectively:*
> Finnpap could not sell sheet paper which had the highest value added. The mill had to take some responsibility. And there we had some schisms...
> Finnpap was good at selling bulk magazine paper and newspaper. But when it had to sell

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[412] Interviews (e.g. with Paananen 1.11.2005; Hennig 7.11.2005).

[413] Interviews (e.g. with Paananen 1.11.2005).

[414] Ibid.

[415] Ibid.

[416] Interviews (e.g. with Rehn 23.8.2005).

differentiated sheeted paper to merchants, it was not used to it, and lots of schisms resulted... High-quality sheet paper should have been sold to printing houses. It should have been promoted to graphical designers, even companies making annual reports. There were not only two reel widths but hundreds of different sizes for different customers in different countries. The selling was much more complicated. In some countries Finnpap succeeded better, in some countries worse. But in general the organization was not used to putting so much effort into selling such small amounts…

And Finnpap, or its sales offices in certain countries, were still not totally okay with the mill's direct contacts to merchants and end-customers. They could consider that the mill stepped on their feet.

Interests in increasing mills' own sales and marketing activities at the beginning of the 1990s. Recognizing the problem with sales associations and selling differentiated sheeted products via merchants, the CEOs, line managers, and sales managers and marketing managers became more interested in increasing the mills' own sales and marketing activities at the end of the 1980s and at the beginning of the 1990s. This would be a translation of having the production sold and marketed to merchants and via merchants to end-customers better.[417]

Mobilizations. The management interests in increasing the mills' own sales and marketing activities were strong, as, for instance, Metsä-Serla and Veitsiluoto acquired more sales and marketing personnel at Äänekoski and Oulu in the early 1990s. Their responsibilities were divided according to regions in Europe, North America, and overseas. The sales and marketing teams took care of designing promotional materials for the use of salespeople of the sales offices located in the market areas, as well as for the use of the merchants. They also did some personal selling work to merchants and end-customers themselves. The salespeople of the sales offices concentrated on making delivery contracts with merchants and on invoicing. Products were promoted and sold to merchants abroad, as well as directly to larger commercial printers and advertisement agencies, in cooperation with local merchants.[418] Moreover, in addition to personal selling and promotional materials, events could be arranged with merchants for printers, such as golf contests or opera visits.

However, the promotion and backselling were not necessarily enough. The high-quality coated fine paper products were, indeed, very similar after all. When it comes to Metsä-Serla, also other producers of slightly premium products were looking and competing for merchants. Again, to sell these products, some large merchants started to demand the possibility to introduce them to their market area with their own private label brands. Even if they did not yet have such a product in their selection, if they considered that they did not need promotion and selling support from the mill, they had little reason to introduce a new mill brand to their market area. On the other hand, if a merchant already sold coated fine paper with a certain strong mill brand, they could be willing to sell a slightly more premium product from the same supplier, with the same brand.

Interests in letting merchants sell coated fine papers under private labels since the early 1990s. Recognizing the problems related to the merchants' demands, the CEOs, line managers (of mills and, later [see 7.1.2], divisions), sales managers (of mills and, later [see 6.3.4], own sales offices) and marketing managers (of mills and, later [see 7.1.4], divisions) became more interested in letting merchants sell the coated fine paper product under private labels. This would be a translation of having the production sold for, at least, a reasonable price.

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[417] Interviews (e.g. with Rehn 23.8.2005);
Hein, Inka (1998), *Metsä-Serla News,* pp. 20–22.
[418] Ibid.; Anon. (d) 1994;
Anon. (c) (1994) "Ready for success in Europe", *Metsä-Serla News,* March, pp. 11–13.

On the other hand, it would be a translation of not needing to do much promotion for the product.

Mobilizations. The management interests in letting merchants sell the coated fine paper product under private labels were strong, for instance, as Metsä-Serla let a large merchant in the Netherlands, Buhrmann, sell "Galerie Art" under a private label, "PolarSuper"[419] – similarly as Veitsiluoto let various merchants sell "LumiArt", a slightly less premium coated fine paper, under private labels.

However, even if large merchants were given the possibility to sell the products with private label brands, it could be that there were not enough merchants in different market areas willing to sell the product, so that the whole production could be sold with reasonable prices.

Interests in acquiring own merchants since the early 1990s. Recognizing the problems of finding merchants to sell the products, particularly the coated fine paper products, the CEOs, line managers, sales managers, and marketing managers became more interested in acquiring their own merchants in some market areas. The corporation's own merchants would sell the product in the particular market areas they were operating. This would ensure a distribution channel and some level of sales for the coated fine paper products of the corporation in the market areas, as well as for some other products, such as office paper.

Moreover, acquiring merchants for the corporation in some market areas would be a translation of capturing profits from the merchanting business. Namely, owning a merchant could be good business: from the total profit margins of a product of the corporation, merchants could obtain up to a half, the other half going to the mill – if the corporation owned both, it could obtain both halves.

Mobilizations. Actually, Finnpap had already acquired two merchants in the UK and France in the late 1980s. The interests in acquiring merchants for the corporation in some market areas were strong, as e.g. Metsä-Serla tried to negotiate further acquisitions with Finnpap. However, the member corporations could not reach agreement and further merchants were not acquired. Most of the production of most of the corporations was still sold directly to customers, not via merchants. Kymmene, which was the largest Finnish fine paper producer at the turn of 1990s, distributed its fine papers already via its own sales networks and was, besides, leaving the association when it came to sales of other products, too (see pp. 108, 188). Of the remaining strong members, UPM and Myllykoski had little or no products sold via merchants.[420]

Nevertheless, the interests were strong, as Metsä-Serla went and acquired Amerpap, on its own, in Finland (1993) and Carl Jonsson Papir in Norway (1994). After the dismantling of Finnpap, it then acquired Classic Papers in the UK (1997).[421] Veitsiluoto, in turn, acquired, in the early 1990s, a 35 percent stake of the other major Finnish merchant, Paperi-Dahlberg, from Kymmene, which had owned it since 1988. This way Veitsiluoto secured distribution and sales for "Lumiart" in Finland – Kymmene agreed to withdraw its similar-quality but slightly less economic product, "nopaCoat", in Finland, since the production of it from the Nordland mill could be sold in Central Europe, where it was still a strong brand. Finnpap being dismantled, Veitsiluoto also acquired the merchants owned by it in the UK and France by the mid 1990s. In the merger of Veitsiluoto to Enso, Veitsiluoto's merchants then ended up in Enso's hands.[422]

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[419] Anon. (e) 1994.

[420] Interviews (e.g. with Paananen 1.11.2005).

[421] Interviews (e.g. with Rehn 23.8.2005);
       Anon (d) 1994; Anon. (c) 1994; Kettunen 2002, p. 29;
       Anon. (d) (1993), "The smart art paper. Galerie Art beats the competition", *Metsä-Serla News*, June, pp. 8–9.
       Anon. (a) (1994). "Carving out a market for Galerie Art in North America", *Metsä-Serla News,* March, pp. 14-15.

[422] Interviews (e.g. with Paananen 1.11.2005).

Finally, following the building of many medium-sized coated fine paper machines in the late 1980s, and the giant machine in Oulu at the early 1990s, high-quality coated fine paper became, thus, a somewhat standard commodity product in most market areas in e.g. Central, Western, and Northern Europe. The brands with which the first economic premium quality coated fine papers had been introduced in certain market areas, like "Galerie Art" in Finland or STORA's "Multiart" in Sweden and Scandinavia, could still remain somewhat strong. Also, the brands with which the still slightly more premium quality paper products were sold could be fairly strong. But large merchants were increasingly demanding the right to sell the products of new producers, such as Veitsiluoto, with their own private label brands. This was also demanded for products which had been sold with strong brands in certain market areas but which the producers attempted to sell in new market areas, to get the production sold, following the competition by new supply from e.g. Veitsiluoto's production. Later in the mid 1990s, high-quality coated fine paper would become even more commoditized and brands would further lose their strength. Namely, new giant machines, similar to that in Oulu, were built by e.g. Kymmene at the Nordland mill and by KNP Leykam in Austria. In addition, Enso built another giant machine at the Oulu mill, which had ended up in its hands after the merger with Veitsiluoto, starting in 1997[423]. At latest after the high volumes of these machines were introduced to the markets, sold with existing brands or merchants' private labels, there were so many products sold in most market areas with unnoticeable quality differences to end-users that strong brands largely ceased to exist among commercial printers and advertisement agencies. For instance, whereas at the beginning of 1990s, an advertisement agency or graphic designer had usually detemined the brand to be used in the print work, e.g. "Galerie Art", "Multiart", or "Zanders", in the late 1990s they would usually only tell the commercial printer to use coated fine paper, or coated fine paper like e.g. "Multiart or a corresponding product". The quality differences had become quite imperceivable to them. In products that remained slightly more premium or in special design products, which featured colours, patterns or special effects, they could still specify the brand, but demand for these special products would remain rather low.[424]

[management interest (in corporate branding) mI#5 *(continued)*]

Developing and maintaining strong product brands (*products sold via merchants*)

Interests in developing and maintaining strong product brands – for products sold via merchants since the late 1990s. Despite the fact that the high-quality coated fine papers became largely standard commodity products in the mid 1990s, the marketing managers (of mills and, later [see 7.1.4], divisions) and sales managers (of mills and, later [see 6.3.4], own sales offices) were still interested in trying to maintain strength of the existing brands sold by certain merchants in certain market areas. The strength of the brands would still provide some advantage in marketing and selling – to the extent that some merchants were still willing to sell the products under the mill brand in those market areas. End-customers could still have some level of trust in products sold with certain established brands as being the most appropriate for certain end-uses. They could even still maintain slight emotional bonds to the product and brands. They could buy the products with certain brands to some extent out of habit or loyalty. On the other hand, the managers were still interested also in developing the brands strongly in new market areas.[425]

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[423] Diesen 1998, p. 70.
[424] Interviews (e.g. with Paananen 1.11.2005).
[425] Interviews (e.g. with Paananen 1.11.2005; Rehn 23.8.2005; Olsson 21.10.2005; Tuomarila 18.3.2005; Taukojärvi 30.9.2005).

Even if advertising agencies and designers started, in the late 1990s, to be indifferent regarding the brand used in the printing work they designed, commercial printers could still hold some brands somewhat strong: they could trust or come to trust that products sold with certain brands produced the best results with their printing machines. Merchants would also be aware of certain brands still maintaining some strength and, consequently, be willing to promote and sell certain mill brands in cooperation with the P&P corporations and their mills. The promotion would be increasingly focused only on printers. Promoting to advertising agencies would be considered decreasingly feasible due to the quality differences between products being highly imperceivable to them. On the other hand, due to the advertising agencies' and designers' indifference, the role of commercial printers in deciding the paper or brand to be used was growing.[426]

Moreover, developing and maintaining strong brands would be a translation of preventing merchants from changing suppliers of the products they had in their selection and having more secured sales for the production of the corporation. Merchants would not be able to change producers for a product they sold with a strong mill brand owned by the corporation if they wanted to continue selling that brand; for private label brands, they had the possibility to change the producer.[427]

> **Enso/Stora Enso line manager (division, executive),** *retrospectively:*
> The intermediaries, merchants, started particularly in the mid 1990s to demand to sell coated fine paper with their own private labels, also with the objective that when they have a fairly strong brand in Europe, they could potentially change the producer of paper for the private label. So, even if the mill brands were losing strength, we had the interest, in our marketing strategy, to support and try to retain some strength in our mill brands. On the other hand, as we had a production of hundreds of tons of coated paper to sell, it would have been impossible to do it without letting many merchants sell the products with their own brands. It was clear that we could not force a sufficient number of merchants or merchant chains to sell our mill brand to get all the production sold. But still, we wanted to have and persuade some merchants to also sell our mill brands.

6.2.7 Promotion of products incurring considerable costs

Mobilizations. Promotion used in selling differentiated products in addition to the standard commodity and building and maintaining strong brands resulted in considerable costs for the P&P corporations. Particularly promoting products sold via merchants – in case the products were introduced with the corporation's own brand like "Ensocoat" in the early 1980s or "Galerie Art" in the late 1980s – was rather expensive if end-customers, such as commercial printers, and advertising agencies and print buyers were targeted with e.g. personal selling, direct mail, advertising campaigns, or promotional events. The designing of promotional campaign strategies, which would often be done in cooperation with advertising agencies, was expensive. The designing of new attractive product names, logos, packages, wrappings, brochures, sample materials, advertisements etc., also to be done in cooperation with advertising agencies, was expensive as well. And so was the day-to-day production of the different promotional materials by the sales and marketing people, the organization of promotional events, the mailing of promotional materials, the acquisition of advertising space, and the personal visits by salespeople. The costs concentrated, whether the question was about a product sold via merchants or not, at periods when the products, or product brands, were launched to customers in markets in certain countries or regions. But there were also continuous costs, as some

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[426] Ibid.

[427] Ibid.

promotion would be done on a continuous basis also after the periods of launch. This concerned particularly products sold via merchants.[428]

The costs of promotion problematized the idea of building new strong product brands with extensive promotion every time a new differentiated product was introduced – particularly if the product was just slightly differentiated relative to existing products or was not a high value added, premium product sold at a high price. Further, it problematized the idea of maintaining strong brands in general with the support of promotion – especially as the strength of brands weakened quickly due to the products becoming more standard commodity products.

> **Metsä-Serla marketing manager,** *retrospectively:*
> And at least we noticed very soon that there were no resources to promote every new product heavily or build many new product brands. This was especially true with products that were not highly innovative or premium products.

[management interest (in corporate branding) mI#5 *(continued)*]
Developing and maintaining strong product brands *and brand families*

Interests in developing and maintaining strong product brands and brand families since the early 1990s. In the early 1990s, recognizing the costs of promotion, the marketing managers (of mills and, later [see 7.1.4], divisions) and sales managers (of mills and, later [see 6.3.4], own sales offices) became more interested in developing and maintaining strong brand families. A brand family would mean having products that would be promoted and sold partly or exactly to the same customers share part of a brand name: having the brand names to be constituted from a common part – the brand family name – and a product-specific part. Also, the brand name logo and visual styles of packages, wrappings, and promotional materials would be made similar. The managers became particularly interested in developing and maintaining strong product brands and brand families when new products would be introduced. This would make promotion related to introduction of the new products more cost-efficient.[429]

As new products would be introduced with a name that was partially the same as an existing strong brand name, the new products would come to share some of the trust which customers would have in the product sold with the existing strong brand name, or, later, all the products sold with the existing, common brand family name. In other words, the customers would, when learning about the new product for the first time, immediately have some trust in the product as being appropriate for certain needs or end-uses of theirs with a certain quality level. The needs and end-uses and the quality level of the new product would be expected to be, to some extent, similar to those of the other products sold with the strong brand family name. The exact needs, end-uses, and quality level of the new product could then be communicated by the means of selling work and promotional materials. The customers could also immediately have a slight emotional bond to the new products and the new brand names, if they maintained a slight emotional bond to the existing strong brand family name. Moreover, having the brand name logos and visual styles of packages, wrappings, and promotional materials similar would further make the customers note that there were similarities between the new product name and the existing strong brand name,

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[428]   Interviews (e.g. with Kivelä 3.3.2005; Neuvonen 22.4.2005; Simelius 12.4.2005; Rehn 23.8.2005).

[429]   Ibid.

facilitating the sharing of trust and bonding. Finally, when several new products would be made part of a family, the common part would become a strong brand on its own.[430]

So, promoting new products as part of brand families would reduce the costs of promotion: the trust and bond customers would readily have in the new product, or product name, would result in the customer being more willing to try the new product and buy it. But also in the longer run, the costs of promotion would be reduced, as there would be synergies from the fact that promotion of one product or brand of the family would to some extent be common promotion for all the products or brands in the family. Also, a customer gaining trust in and bond to one of the products of the family through using it would at the same gain some trust and some bonding also to the other products.[431]

Specifically, in the early 1990s, the managers were particularly interested in developing and maintaining brand families for products within the range of what was produced by individual mills. Developing and maintaining the families there would be least complicated. Namely, a mill would often readily be specialized in producing products to be promoted and sold to certain customer groups, such as publishers and large printers (newsprint or magazine papers); converters, merchants and commercial printers (fine papers); packaging manufacturers and printers (board); or merchants, OEMs, companies, public institutions, and households (fine papers/office papers). On the other hand, there could be some competition across individual mills of a corporation. The products of different mills could be substitutable to certain customers. Still in the early 1990s, the mills had strong profit center status and the mill managers would largely strive for maximizing the sales and profits of their own mill's products. Finally, although the sales offices served in marketing and selling products across mills, each mill would have some responsibility for the promotion and selling of its own products – with the mill's own sales and marketing people doing promotion for the particular products of that mill. This would further encourage some competition across individual mills and the promotion and selling of their products and make it more complicated to develop and maintain brand families across products produced by different mills.[432]

Mobilizations. As an example, the management interests in developing and maintaining brand families when new products would be introduced and for products within the range of produced by individual mills were strong, as Enso's Kaukopää mill introduced, at the beginning of 1990s, a new, glossy on-machine coated art paperboard, double-coated on both sides. The paper would be appropriate in many graphic uses of commercial printers: in covers of brochures and annual reports, in wall calendars, in folders, visiting cards, and invitation cards, in menus, etc. It would also be appropriate for use in cosmetics and luxury packaging by packaging manufacturers and printers. The product was to some extent similar with an existing product of the Kaukopää mill, "Ensocoat", which was a paperboard coated on only one side but appropriate in very similar uses of the same customers as the new product. Further, both products had high whiteness and printability. A brand family was formed for the new product. The new product was named "Ensogloss". The promotion of "Ensogloss" benefited from the fairly strong brand of "Ensocoat" and the promotion of both products would benefit from the promotion of each other and the family. Actually, at Enso, there had already earlier been a historical practice of giving products names beginning with "Enso". However, in naming the new product "Ensogloss", the management interests were strong just

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[430] Ibid.
[431] Ibid.
[432] Ibid.

in developing a strong brand family for coated boards promoted and sold to the same customers.[433]

On the other hand, where it was less complicated to develop brand families for products produced by different mills, e.g. where the managers or sales and marketing people of different mills did not feel that the mills or their products were competing with each other and found it attractive to engage in joint promotion despite the profit center status of the mills, these kinds of families could be developed. As an example, the management interests in developing and maintaining brand families when new products would be introduced were strong, as the Kirkniemi mill of Metsä-Serla introduced in the late 1980s a new high-brightness coated magazine paper with good bulk. The paper would be appropriate for publishers willing to create effective images without the excessive costs of coated woodfree fine paper. The new kind of coating concept gave it properties normally associated with woodfree fine paper. The product was named "Galerie Brite" and thus a "Galerie" brand family of papers was formed, also including the coated fine paper introduced earlier by the Äänekoski mill, "Galerie Art". The paper would, to some extent, be promoted and sold to the same customers: publishers could e.g. choose "Galerie Brite" as the paper for the inside pages of some magazines and "Galerie Art" – albeit mostly sold to printers for use in premium-quality advertisement materials and in art books – as the paper for the covers of some magazines.[434] Soon, when a new, less glossy, variant of "Galerie Art" was introduced, there came to exist two versions of "Galerie Art ", too, "Galerie Art Gloss" and "Galerie Art Silk"[435]. Further, when Metsä-Serla's Kirkniemi mill developed, in the mid 1990s, a new differentiated product, this time a double-coated, lightweight fine paper mainly for publishers to use in high-end magazines, the product was named "Galerie Fine"[436].

Interests in developing and maintaining strong product brands and brand families – renaming products since the mid 1990s. By the mid 1990s, the marketing and sales managers became more interested also in developing and maintaining strong brand families when promotion campaigns for existing products were being planned or when slight quality improvements to them had been done. The existing products would be renamed and this way included in the brand families. Also this would make the promotion of products more cost-efficient.

Mobilizations. As an example, the management interests in developing and maintaining strong brand families when promotion campaigns for existing products were being planned or when slight quality improvements to them had been done were strong, as Metsä-Serla, or its Tako and Äänekoski mills, renamed, in the early 1990s, their sheet graphic board products promoted and sold to commercial printers via merchants to "Galerie" family. The renamings were done after improvements in the products and machine rebuilds and/or when special promotional campaigns for products were planned. First, "TakoLux" sold as graphic board became "Galerie Lux" and "Tako SuperFine" sold as graphic board became "Galerie Super". Later, "Studio Carton" and "Studio Card" became "Galerie Card".[437]

As another example, the management interests in developing and maintaining brand families when introducing new products were strong, as Enso introduced new coated variants

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[433] Lindberg 1991;
      Interviews (e.g. with Karhu 9.11.2005).
[434] Kettunen 2002, pp. 55, 60; Anon. (d) (1993).
[435] Anon. (c) (1994).
[436] Lindberg, Leif (1994a), "Galerie Fine is the answer to our prayers", *Metsä-Serla News,* 2, pp. 4–7.
      Kettunen 2002, p. 61.
[437] Anon. (e) (1994);
      Lappalainen, Jaana (1995), "Galerie Board by Metsä-Serla", *Metsä-Serla News,* Spring, pp. 4–5.

of the colour copy paper "4CC" and put them into "4CC" family in the mid 1990s. At the same time, Enso introduced a family of similar products, especially targeted to commercial printers in reel form, in a "Digi" family. Nevertheless, later the management interests in developing and maintaining strong brand families when promotional campaigns for existing products were being planned were strong, as the products names with "Digi" beginning were named "4CC" products, too. "4CC" was already a strong brand and promotion would be more cost-efficient if it would be focused on this brand.

> **Enso marketing manager,** *in 1998*[438]:
> We gave up on names with Digi beginning, for it was easier to concentrate our effort on one brand than spread it across several brands. 4CC was a strong brand and we had done a lot of work for it. It was well-known on the digital side, even though it had originally been developed for colour copying. After all, 4CC was the paper grade which Xeikon recommended when launching the first digital rotary presses on the market.

6.2.8 Attempts at marketing and producing differentiated products to be sold to consumers and households

Mobilizations. By the mid 1990s, the manufacturers of copying and printing technology had advanced in their development efforts to the extent that they were starting to introduce inexpensive printers to the markets on a wide scale, targeted to consumers in the Small Office/Home Office (SoHo) segment. On the other hand, households and small-sized companies were starting to acquire personal computers on a wide scale. As there were less and less expensive printers available, these consumers were willing to buy printers to use with the personal computers. Accordingly, demand for cut-size printer paper among the consumers, suitable and optimized for the printers, was increasing rapidly. Industry experts and consultant studies forecasted strong growth for the SoHo consumer use of cut-size printer paper. Also, taking into account the anticipated high demand growth, increasingly many retailer stores were willing to sell printer paper to consumers. These included e.g. traditional retail stores, department stores, computer and electronics retail stores, direct mail companies, and emerging on-line stores.[439]

Particularly ink jet printers were becoming increasingly popular among SoHo consumers in the mid 1990s. Inkjet printers, also colour inkjet printers, were becoming rather inexpensive. Whereas colour laser printers remained too expensive for most SoHo customes to acquire, colour inkjet printers capable of colour prints of fairly good quality were becoming affordable. Consumers were increasingly willing to produce not only black-and-white but also colour prints, with their inkjet printers. Basically, normal copying paper, which suited well also for black-and-white laser printers due to the similar electrophotographic print technology, could be sold to consumers for use with inkjet printers, too. Nevertheless, there were not many producers selling paper optimized for SoHo use and for inkjet printers. And even fewer producers existed in the markets for coated fine papers in A4 size to be used by consumers with inkjet printers to produce high-quality colour prints – coated fine paper in A4 size was actually quite a new product concept altogether in the mid 1990s. Furthermore, the package sizes for the existing copying and printing papers were often optimized for the use of larger companies and public institutions, thus being too large for many SoHo customers.[440]

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[438] Illi 1998.

[439] Interviews (e.g. with Hennig 7.11.2005);
       Paavilainen 1995, p. 78.

[440] Interviews (e.g. with Hennig 7.11.2005).

UPM-Kymmene marketing manager, *retrospectively*:

In 1996, we forecasted that colour printing would be a strongly growing use. There were more PCs, everybody wanted printers; especially ink jet printers and color printing were growing aggressively. There was high installation growth. With that you could see printer and office paper going to consumer distribution. There were other lines coming up, like direct mail order houses, internet sales, IT stores, more OEMs, even discount houses and retailers like Carrefour, Aldi, Lidl.

Interests in producing, marketing, and selling differentiated printer paper products to consumers since the late 1990s. Recognizing the high demand growth among SoHo customers and the lack of products offered in the market, in the late 1990s, line managers (of mills and, [see 7.1.2], divisions), development managers, the CEOs, sales managers and marketing managers (of mills and, later [see 7.1.4], divisions) became more interested in producing, marketing, and selling somewhat differentiated printer paper products – mainly A4-cutsize uncoated and coated fine paper, in reasonable package sizes – tailored to SoHo consumers.

Specifically, the managers became more interested in introducing, promoting, and selling the differentiated printer paper products tailored to consumers in cooperation with retail stores. The consumers could be served with distributors close to them, who were increasingly willing to sell the products. With larger retail store chains, such as with the Germany-based, multi-national computer and electronics store chain MediaMarkt or the France-based multi-national retailer Carrefour, direct cooperation could be pursued. Smaller retailer stores would be served in cooperation with merchants.

Even further, the managers became more interested in acquiring conversion centers with cutting and wrapping machines capable of cutting coated fine paper into A4-size and wrapping it into small packages, in fairly short runs. This would be a translation of efficiently providing smaller package sizes for consumer use, particularly for coated papers. The existing conversion machines would not be appropriate, as they had been designed for producing standard-size reams and packages of basic office papers, in long production runs.[441]

[management interest (in corporate branding) mI#5 *(continued)*]

Developing and maintaining strong product brands and brand families
(products sold also to consumers)

Interests in developing and maintaining strong product brands and brand families – for products sold also to consumers since the late 1990s. In the late 1990s, the marketing managers (of mills and divisions [see 7.1.4]) sales managers (of own sales offices [see 6.3.4]) and became more interested in developing and maintaining strong brands also particularly for products sold to SoHo consumers via merchants. This would be a translation of marketing and selling somewhat differentiated printer paper products – mainly A4-cutsize uncoated and coated fine paper, in reasonable package sizes – tailored to SoHo consumers. Moreover, recognizing the problems related to differentiating products, particularly that differentiated products would soon be imitated by competitors and become standardized or commoditized, the managers became even more interested in developing and maintaining strong brands.[442]

Consumers would potentially come to trust the products sold with a particular brand name as being the most appropriate in a particular use, at the best quality level. But especially, they could come to have somewhat strong emotional bonds to the brand name –

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[441] Interviews (e.g. with Hennig 7.11.2005).

[442] Interviews (e.g. with Hennig 7.11.2005; Haglund 25.10.2005; Taukojärvi 30.9.2005; Tuomarila 18.3.2005); Paavilainen 1995, p. 78.

much stronger than business customers, such as commercial printers, let alone publishers, or packaging manufacturers. Among SoHo consumers, the emotional bonds and trust in the product name, gained through the experience of using products sold with the product name could be quite significant, since they would usually not have expertise to infer or trust in the quality of products based on the technical specifications. This, combined with the sales via consumer distribution channels, could result in considerable premium prices at the retailer sales desk compared to traditional channels and merchant sales. Although most of the premium would be absorbed by the retailers and the distribution channel, some of it would benefit the producer of the paper, too – even if the volumes were rather low.[443]

Nevertheless, the managers were actually also interested in differentiating the products with brand names, packaging, and promotional materials themselves. This would be a translation of developing and maintaining strong brands even if the products themselves were not very differentiated in technical quality. Emotional bonds could be created by giving the products attractive names and logos and designing and utilizing attractive packaging, promotional materials, promotional events, and even store displays giving the names and logos a prominent role – even if the product itself was quite similar to other products in the market. Still in the mid 1990s, this kind of differentiation was quite possible in many markets, as most cut-size office paper products sold had technical-sounding brand names or names referring to the corporations or mills producing them. Furthermore, they did not have packaging and were not promoted in a style appealing to consumers. On the other hand, the emotional appeals and bonding could render the product brands more similar in strength to OEM brands. After all, OEMs had, again, been among the first ones to offer printer paper products tailored to consumers, with their own brands. As the price would be set lower for products sold with the corporation's or mill's brand than for those sold with brands of the OEMs, the differentiated offering could attract some consumers away from using OEM brands, too.[444]

Moreover, recognizing the problem with promotion costs, the managers were interested in developing and maintaining specifically brand families in which all the products which SoHo consumers needed would be placed. Further, the managers were interested in either having new products tailored to SoHo consumers belong to an existing brand family and only adapting the promotional aspects to appeal more to consumers, or creating a new brand family, either targeted only at consumers or at consumers and companies and public institutions together – again with a brand name and promotion appealing to consumers' emotions. The latter would be about creating a new, more appealing brand family name. The former would be about benefiting from the strength of an existing brand or brand family, if the corporation had one, and about having some merchants sell and promote the products more easily.[445]

If existing office paper brands were adapted to sales to consumers, in terms of adding e.g. special inkjet papers and in terms of new kinds of promotion, the existing cooperation with merchants could easily be continued. If new brand families were introduced, finding merchants to cooperate with could be more difficult. Particularly, large merchant chains would not necessarily be willing to promote and sell new brands. They would, again, want to concentrate on building their own private label brands and potentially sell paper with OEM brands. On the other hand, smaller merchants and merchant chains, as well as merchant chains with which the corporation had cooperated with its earlier brand or brands, could be

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[443] Interviews (e.g. with Hennig 7.11.2005; Haglund 25.10.2005; Taukojärvi 30.9.2005; Tuomarila 18.3.2005).

[444] Interviews (e.g. with Hennig 7.11.2005; Haglund 25.10.2005).

[445] Ibid.

rather willing to promote and sell the products of the new family. And in any case, large retail store chains could be willing and able to buy the products in large volumes directly from the corporation, without having to depend on merchants. Hence, they could also be quite willing to sell the corporation's brand family products.

Mobilizations. The management interests in developing and maintaining strong brands for products sold also to SoHo consumers via merchants were strong, as the corporations, in the late 1990s, introduced new A4-cutsize uncoated and coated fine paper products tailored to SoHo consumers and optimized for e.g. inkjet printers in existing brand families – e.g. Metsä-Serla's "Amicus" and Enso's "Berga" families[446]. The interests were also strong, as new packaging and promotional materials were introduced, simultaneously with introducing the new products to existing families or building the new families.

UPM-Kymmene, in turn, started around 1996–1997 to plan new families to include the new products tailored to consumer customers, as well as existing products, such as basic multi-purpose office paper, or copier paper – existing products being renamed according to the new brand family names. High growth in colour ink jet printer installations at households, among SoHo consumers, was forecast. It was also seen that paper would be increasingly sold through consumer distribution channels. In 1999, UPM-Kymmene eventually launched two new brand families for its office paper products in 1999. "Yes" was a brand family targeted primarily to consumers with little expertise on paper, whereas the more traditional "Future" was targeted primarily to businesses, companies and public institutions, with paper buyers who could have some technical expertise on paper, too. The brand families came to include basic office papers and products optimized for e.g. colour inkjet printing and colour copying. Coated papers for colour inkjet printing in small package sizes would be added to the "Yes" family later. This would be done once conversion facilities for these kinds of products and packaging would be ready – also the interests in acquiring conversion centers with cutting and wrapping machines capable of cutting coated fine paper in A4-size and wrapping it into small packages, in fairly short runs, were strong. Much of the differentiation was, however, pursued with the attractive brand names and style of packaging and promotion.[447]

> **UPM-Kymmene marketing manager**, *retrospectively*:
> When we launched the product, the emotional area was not captured by the existing brands very well. The names were dull, connected to mills, hardware, or environmentality. The packaging and promotion were also dull. There was nothing sexy, emotional; no recognizable brands, no brands associated to anything emotional. We tried to capture this emotional area, particularly with our brand family targeted at consumers, Yes.
> And we were able to build some recognition, since we were different from most the boring brands, "epsilon lasers and copiers". We had a more emotional brand, a brand which was a package, a name, one identifier, easy to remember, multicultural.

However, despite the differentiation attempt, UPM-Kymmene had problems with selling the products of the new brand families to merchants and other resellers. For "Future", merchants, particularly smaller ones, willing to sell the products could be found somewhat easily. For "Yes", the sales and marketing had to put a lot of effort to have even some retail store chains, such as the IT store chain MediaMarkt, to start selling the products. When it comes to merchants, there could be some that were willing to sell "Yes", but there were practically no merchants willing to sell both "Future" and "Yes" to different target groups, as the sales and marketing people of UPM-Kymmene had wished. The merchants would not see

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[446] Interviews (with Tuomarila 18.3.2005; Haglund 25.10.2005).
   Lindberg, Leif (1996a), "Amicus gives you multiple originals", *Metsä-Serla News,* 1, pp. 12–14.
[447] Rekimies, Kimmo (2000), "Yes and Future are speeding up", *The Griffin,* 3, p. 14.
   Hennig 2002;
   Interviews (with Hennig 7.11.2005)

the differentiation between the families and would not want to "stock the same products twice". Moreover, large merchants were generally not interested in selling either "Yes" or "Future" at all. They wanted to concentrate on building and selling their own brands, and additionally sell some OEM brands. Thus, most of the production of the mills producing "Yes" and "Future" would still have to be sold to merchants for private label sales, or to OEMs for sales with OEM brands.[448]

So, building strong brand families for printer or office paper, or differentiating the families by the means of attractive brand names, packaging, and promotion, was not very effective. Mostly, the attempts were blocked by merchants and resellers willing to concentrate on building their own brands, not considering the brand families differentiated enough, or being satisfied with selling existing, somewhat strong brands.

Nevertheless, to the extent that merchants and resellers could be persuaded to sell the brand families, some strength could be built into them, also among consumers. And the managers remained interested in building and maintaining, at least, somewhat strong brand families: UPM-Kymmene managers with respect "Yes" and "Future", as well as Metsä-Serla's and Enso's managers with respect to "Amicus" (Metsä-Serla) and "Berga" (Enso) families, which involved quite similar differentiation attempts.

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[448] Interviews (with Hennig 7.11.2005)

6.3   Selling own products and Differentiation beyond products

6.3.1 The corporation becoming large (production volumes and capacity, mills, wide product range)

Interests in leaving the sales associations since the 1980s. Being increasingly interested in freeing the corporation of the control and policies on investments, pricing, and order allocation of the sales association, in having direct contacts to customers in developing and marketing differentiated products, and in not being forced to pay such expenses of the sales associations that would not benefit the corporation in a fair way (see p. 149), the CEOs, line managers, sales managers (of mills) and marketing managers (of mills) were, since the 1980s, increasingly interested in leaving the sales associations or dismantling them altogether and building their own networks of sales offices. Also being increasingly interested in marketing particularly differentiated products to smaller customers indirectly via merchants (see sections 6.2.4, 6.2.6), the managers were increasingly interested in leaving the sales associations. Moreover, the managers of the large corporations had for long been somewhat interested in leaving the sales associations just as a translation of making independent decisions and acting freely – whether concerning investments, pricing, order allocation, or product development, promotion, or selling, or something else.

Mobilizations. However, in leaving the sales associations, there were problems. First, establishing an own network of sales offices around Europe or the world, basically to the same locations where Finnpap or Finnboard had them, would be relatively costly in terms of the unit costs the sales organization accrued per a ton of production. Namely, the corporation's own sales network would have to be almost as extensive as that of the sales associations, at least in the number of offices around the world, but the production volumes sold and cash flows generated would be much lower, as the corporation would have much fewer machines and mills whose production to sell than the sales associations. In other words, the economies of scale in the sales and marketing would be more difficult to gain with less production capacity to be sold. Second, having relatively small volumes of paper and board for the sales organization to sell, particularly in individual product grades, would not give pricing power and market power to the corporation. The sales associations, which would have considerable production volumes behind them – even tens of percents of the world market supply – would have great pricing and market power but an individual corporation with a much smaller production volume would have to largely accept market prices, at least in standard products.[449] Third, particularly in selling to large customers, the credit risk related to delayed or cancelled payments for orders could be significant in relation to the size of the cash flows of the whole corporation – albeit that many large customers were financially quite stable[450]. Being a member of a sales association would partly eliminate this risk, as the sales association would pay the corporation or mill for the orders somewhat regardless of whether the customers paid for their purchases conscientiously in time or not.[451]

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[449] Heikkinen 2000, pp. 474–483.
[450] Muona 1997.
[451] Heikkinen 2000, pp. 474–483.

Metsä-Serla/M-Real manager, *retrospectively*:
> Of those huge publisher companies, Murdoch's News Corporation usually at least paid his orders, but there were also houses that indeed made producers compete for large orders but slipped from paying the bills. One of these was Robert Maxwell.

Individual large customers could also be problematic in other ways. There would be some large customers, particularly publishers, which would like to have rather few main suppliers and these suppliers would have to be corporations which could deliver them a wide range of different products to their various needs. Whereas a sales association, which would often be treated by customers as one supplier company, could offer them the wide range of products produced numerous mills, an individual corporation would only be able to offer the products it produced in its much smaller number of mills. One such customer was the media company of the media mogul Rupert Murdoch, i.e. News International Corp. In the 1980s, paper bought by News Corp. for printing its numerous newspapers and magazines around the world could represent up to five percent of the annual export volume of the Finnpap's Finnish paper mills. To some extent similar large publisher customers were also Axel Springer in Germany and Robert Maxwell in the USA.[452]

Furthermore, the largest customers, having geographically dispersed subsidiaries, would demand that their few suppliers had large production capacities and even many different production units in different locations for a certain product grade to be purchased. Moreover, they could demand that the corporation had a certain size and financial standing. This would convince the customers that the supplier could offer them reliability of deliveries to their subsidiaries in different regions, countries, and even continents[453]. If the supplier corporation had several large-capacity machines in different locations, strikes at one site or breakdowns of single machines would not jeopardize the supply of paper to the customer, to be used, for instance, in the daily printing of very large print runs of newspapers[454]. And if the supplier corporation was small in size and had a weak financial standing, the continuance of its operations would be in danger and so would its deliveries. Again, whereas the sales associations could boast to the largest customers with the numerous mills and pooled machines of large capacities, a corporation with one or two machines producing a product grade could simply be rejected as a supplier. Also, whereas the sales associations pooled the sizes of their member corporations and had stable financial standing, a small corporation on its own, with questionable finances, could be rejected.

Interests in increasing the corporation's size, production capacity and volume, and number of mills, and in widening the product range since the 1980s.

Recognizing the problems with leaving the sales associations and increasingly interested in leaving the sales associations and taking into account their likely dismantling, the CEOs, line managers, sales managers (of mills) and marketing managers (of mills) were further interested in increasing the production capacity and volume and number of mills of the corporation. This would decrease the unit costs of having an own sales organization, increase the pricing and market power, and decrease the credit risk related to large customers, as well as convince large customers of the reliability of delivery offered by the corporation. Further, the managers were increasingly interested in widening the product range produced by the corporation. Actually, growing the production capacity and volume and number of mills of the corporation would be one translation of this, too, as additional mills could produce different products relative to the existing ones.

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[452] Kuisma (Markku) 2004, p. 353.

[453] Ahvenainen 1992, p. 688; Diesen 1998, p. 96.

[454] Ahvenainen 1992, p. 636.

Interests in mergers of P&P corporations and in building new capacity since the mid 1980s. Further, the CEOs, line managers, sales managers (of mills) and marketing managers (of mills) became more interested in merging their P&P corporations with others (see also p. 103). This would be a translation of increasing the corporation's size, production volumes and capacity, and the number of mills, and widening the product range. In the late 1980s and early 1990s, these interests were naturally particularly strong for the managers of the corporations that had left the associations.

Mobilizations. The interests in merging the corporation with other P&P corporation were already fairly strong, as P&P corporations within the spheres were merged with each other (see section 6.1.2; see also below). The interests were fairly strong also, as other mergers and acquisitions were realized in the 1980s and 1990s (see also section 6.4.6 and below). On the other hand, the interests in building new capacity were fairly strong, as new machines were built in the 1980s and 1990s (see also below).

The mergers and acquisitions, and the simultaneous building of new machines, considerably increased the size, production volumes and capacity, and number of mills of the corporations, as well as widened their product range.

6.3.2 Increasing customer demands for a wide product range – The corporation becoming large (wide product range)

Mobilizations. Since the late 1980s, many customer industries of the Finnish P&P corporations began to consolidate heavily and the customers grew considerably[455]. Publisher companies were getting larger, merging with other – many consolidating from national players to multi-nationals. If the publishers did not own their printing houses, when growing, they often wanted to start to centrally purchase the paper they needed themselves, instead of letting the printing houses to do the purchasing, as may have been the case earlier[456]. Printing houses, packaging manufacturers, and merchants were also consolidating and growing with new and larger production units and subsidiaries.

The range of different kinds of paper and board products one customer company needed in its operations was getting increasingly wide. Publisher companies increasingly published several different kinds of newspapers, magazines, and even books, and had their own printing houses; even if a publisher did not have its own printing houses, it could still be willing to negotiate and buy and order the paper to its publications to be delivered to the printing houses it used. On the other hand, printing houses increasingly printed several different kinds of newspapers, magazines, catalogues, advertisement materials, and telephone directories[457]. Packaging manufacturers increasingly printed and prepared the packaging board for different kinds of packages. Moreover, merchants were also starting to grow and were willing to offer their customers an increasingly wide selection of graphic papers and boards, digital papers, office and document papers[458].

Hence, many important customers of the P&P corporations were becoming larger since the late 1980s. But often they also had operations in increasingly many geographical locations within and across continents. For instance, national publishing companies were acquiring others in different countries and merchants were beginning to grow into international chains, mainly

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[455] Haarla 2003, p. 100.
[456] Interviews (e.g. with Haapakangas 4.2.2005);
        Käyhty, Veijo (1997), "Paikallisella tuottajalla etulyönti USA:n markkinoilla", *UPM-Kymmene Watch*, 4, pp. 10–13.
[457] Holtari, Timo (1990), "Taito ja onni yhtyvät", *Markkinointiviestintä*, 4, 20-23.
[458] Interviews (e.g. with Olsson 21.10.2005) ;
        Näsi, Ranta, and Sajasalo 1998, p. 169.
        Vuori, Jukka-Pekka (1997), "Biberist acquisition puts Metsä-Serla at the heart of Europe", *Metsä-Serla News,* 1.

through mergers and acquisitions. Having grown in terms of the number of subsidiaries, many customers were starting to control and optimize their operations more or less globally and the share of global buyers was growing in most customer segments. These buyers were willing to purchase a wide variety of different paper and board products for the global needs of their companies from fewer and fewer suppliers[459]. Buying centrally for the decentralized use of their companies, they could set pressure on the suppliers, demanding a supply of wide selection of paper and board products from one supplier and competitive prices for these aggregated purchases[460]. Also in cases where the purchasing was not centralized, the customers could still operate in various countries, be in need of different selections of products in different countries and be willing to be served by one or few suppliers with wide ranges of paper or board products[461].

UPM CEO, Olli Parola *in 1990*[462]:

Large printing houses are becoming even larger and can flex their muscle in negotiations. Our big customers in the world are mostly large printing houses, with a wide repertoire. It includes both newspapers and magazine paper. When we do business with those houses, it's important that we can offer the whole assortment: newspaper, as well as calendared and coated magazine paper… The printing houses are also multinational corporations. When they sign a contract, we immediately have deals in many different countries.

Enso CEO, Pentti Salmi, *in 1988*[463]:

In the global industry, we also have to have a global approach and we cannot restrict ourselves to certain area, since the customers are also global organizations.

Interests in producing and marketing wider range of products since the late 1980s. Recognizing the customers becoming bigger and more demanding, the CEOs, line managers, sales managers (of mills) and marketing managers (of mills) became further more interested in producing and marketing wider range of products – strengthening the interest which was also translation of leaving the sales associations and preparing for their dismantling. Not being able to offer a wide selection of products to the rapidly growing customers could mean that some potential large customers would be missed or even that some important existing customers would reduce or stop purchasing from the corporation.

Mobilizations. The management interests in producing and marketing wider ranges of products were somewhat strong as P&P corporations within the spheres were merged with each other since the late 1980s. But they were somewhat strong also, as the P&P corporations were building new capacity, or machines, and rebuilding old ones. As an example, the interests were strong, as Metsä-Serla built a new machine to produce a new product in the early 1990s at the Kirkniemi mill. The managers considered that Metsä-Serla's product range was rather narrow, particularly when taking into account the anticipated dismantling of the sales association. Development of a new coated magazine paper corresponding to double-coated fine paper was started, as well as designing a new machine that would produce it. Actually, one alternative then would have been to give up on magazine paper production. This was not possible for the managers, though, since production of magazine paper consumed more wood than e.g. production of fine paper and the majority of Metsä-Serla was owned by Metsäliitto Cooperative,

[459] Virta, Ismo (1994), "Kymmene ja Yhtyneet nousevat eri papereilla – Kymmene, Yhtyneet", *Talouselämä,* 8, pp. 28–31.
    Seppänen, Pekka (1994), "Kymmene seuraa metsäteollisuuden nousua vuoden jäljessä – Kymmene", *Talouselämä,* 16, p. 52.
    Siitonen 2003, p. 112; Käyhty 1997.

[460] Paavilainen 1995.

[461] Inteviews (e.g. with Frejborg 24.2.2005).

[462] Holtari 1990.

[463] Illi 1998;
    Interviews (e.g. with Brown 5.1.2005).

owned by forest-growers, interested in being able to sell their wood to Metsä-Serla[464]. The new machine in Kirkniemi started up in 1996.

Furthermore, the interests in producing and marketing a wider range of products were somewhat strong, as the P&P corporations made some mergers and acquisitions in the late 1980s and 1990s – not only in Finland and within the spheres but also elsewhere. As an example, the interests were somewhat strong, as Kymmene acquired the French Chapelle-Darblay. The acquisition added newsprint to the product range of Kymmene – just before Kymmene finally left Finnpap in 1990 (see p. 196)[465]. As another example, the interests were somewhat strong, as Enso acquired a majority stake in the German company E. Holtzmann & Cie AG in 1997. Enso was missing, in its product range, the basic SC magazine paper, which was one of the most important products of Holtzmann's Maxau mill.

As other examples, the interests were somewhat strong also in Enso's earlier acquisitions and build-ups of machines, especially when it came to publication papers. Until 1987, after leaving Finnpap in 1986, Enso only had the newsprint paper of the Summa mill in its selection of publication papers. In 1987, the Kotka mill started the production of a coated magazine paper (MFC) product, "Solaris". In 1987, an acquisition was also made: Enso-Gutzeit acquired A. Ahlström Corp.'s Varkaus mills, producing e.g. colourful and thin newsprint paper, as well as catalogue paper. In 1993, Enso acquired Tampella, whose Anjala mills produced e.g. book papers. In 1994, a new mill producing newsprint paper from recycled paper started up in Sachsen, Germany. A while before the Holtzmann acquisition, in 1996, Enso acquired Veitsiluoto which produced e.g. LWC and MWC magazine papers.[466] Finally, with the merger with Stora, in 1998, Enso was able to complete its product range particularly with additional SC grades to that of the Maxau mill and coated magazine paper grades meant for rotogravure printing, as well as paper board grades[467].

> **Enso CEO, Pentti Salmi,** *in 1988*[468]:
> What will Enso-Gutzeit look like in ten years?... The product portfolio will be wider. For example, LWC will be added to it...

> **Enso line manager (executive), Kimmo Kalela,** *in 1997 (after the acquisition of Holtzmann)*[469]:
> Enso has as its customers big publisher and media companies and to them one has to offer the whole range... I just happen to know what it's like to try to sell to big customers when you are hardly big enough to have an opportunity to meet them...

Interests in differentiating by offering a wide product range since the 1990s.
Since the 1980s and 1990s, having more production capacity for a wide range of products, the CEOs, line managers (of mills and, later [see 7.1.2], divisions), sales managers (of mills and, later [see 6.3.4], own sales offices) and marketing managers (of mills and, later [see 7.1.4], divisions) became more interested in differentiating from the competition by offering a wide product range. This would be a translation of differentiating beyond developing and introducing differentiated products, which would be problematic, e.g. in terms of new products quickly becoming imitated by competitors (see section 6.2.3). Offering a very wide product range would be one way of differentiating from competitors who would be offering narrow product ranges or individual

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[464] Kettunen 2002, p. 61.
[465] Ojala 2001, pp. 40–42.
[466] Illi 1997;
Seppänen, Pekka (1998), "Mikäköhän Ensosta tulee isona", *Talouselämä*, 61 (8), p. 51.
[467] Interviews (e.g. with Hirsch 26.10.2005).
[468] Illi 1988.
[469] Illi 1997.

product grades. For customers who were in need of various products[470], this kind of "one-stop-shop" offering by the corporation would potentially be attractive, as they could rely on one supplier instead of many and would not have to order products from many suppliers. This could mean that it could be easier to obtain new customers and have customers commit to continuously buying from the corporation – actually also customers that were not particularly large but could still need various kinds of products. The customers could also be willing to pay slightly above the market price for the products due to the value they would get from the "one-stop-shop" offering.

Moreover, differentiating by offering a wide product range would be a translation of making the corporation less vulnerable to the business cycles and market price fluctuations very typical for the industry and most products, countering the trend of decreasing market prices, and hence having more stable and improved profitability, as what would be offered and sold would not be mere standard products. Also, it would be one translation of developing and maintaining more partnership-oriented, longer-term customer relationships and of decreasing the need to promote and sell production to customers in the spot market. And it would be a translation of potentially reducing the need for promotion and selling work, as more products could be sold to single customers.[471]

Further, the managers became more interested in offering actual package deals tailored for customers in terms of e.g. the products included[472], as well as their volumes and the delivery terms. This would be a further translation of differentiating with offering the wide product range. Being able to buy, for instance, paper for covers, inside pages, and inserts of a magazine as a package could be a more attractive option for a customer than having to order them separately. Besides, offering package deals would be a translation of decreasing price competition by other suppliers. Namely, the price transparency would decrease in that it would be more difficult for competitors to compare their offerings and match the prices or underbid, as the orders would involve more than just certain amount of certain one standard product.[473]

Interests in organizing the salesforce according to customer segments since the late 1990s. Further, later in 1990s, the CEOs, line managers, sales managers and marketing managers became more interested in organizing the salesforce according to customer segments (see also p. 262). This would be a further translation of differentiating by offering a wide product range to customers. Namely, if an individual salesperson represented only one of the product types, such as newsprint, magazine papers, or fine papers – as traditionally e.g. in the sales associations – the corporation could miss the opportunity to offer the particular customer the other product types of the range. It could also be that the company risked unnecessary confusion, complexity, and inefficiency for both the salespeople and a customer, in case there were several salesmen making contact with the same customer and representing their respective product types. The customer would not have a clear understanding of what the corporation as a whole was offering or could offer. Organizing the salesforce more according to customer segments, or types, e.g. publishers and large printers, merchants, different kinds of converters, and different kinds of package printers, would make it easier for the corporation to sell and the customer to buy different products of the range.[474]

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[470] Ylihärsilä, Leena (1991), *Developing a competitor intelligence system to support management planning and decision-making. Case: Fine paper division of Enso-Gutzeit Oy*, Pro Gradu Master's Thesis, Department of Marketing, Helsinki School of Economics and Business Administration, Helsinki, Finland.

[471] Interviews (e.g. with Mynttinen 19.10.2005; Ovaska 1.2.2005; Taukojärvi 30.9.2005; Frejborg 25.2.2002; Parkkinen 9.3.2005).

[472] Seppänen, Pekka (1997a), *Talouselämä*, 5, 20–24.

[473] Interviews (e.g. with Mynttinen 19.10.2005);
Haarla 2003.

[474] Interviews (e.g. with Mynttinen 19.10.2005; Ovaska 1.2.2005).

Mobilizations. The management interests in organizing the salesforce more according to customer segments were strong, as changes were made in the sales organizations particularly since the mid 1990s, after the corporations had left the sales associations or they had been dismantled. For instance, with regard to the publication papers, an individual salesperson was to sell all newspaper products, magazine products, and certain fine paper products that a publisher customer might need, when in contact with a particular publishing company. Actually, in Finnboard, which later became the sales organization of Metsä-Serla's paperboards, the salesforce had been organized to a corresponding customer-based structure already in the late 1980s[475]. Furthermore, coherent teams of salespeople, key account teams and managers, were assigned, in the late 1990s and early 2000s, to take care of individual large key customer companies and represent all the product types of the corporation to this customer[476].

> **UPM-Kymmene line manager (executive),** *retrospectively:*
> When it comes to our main business of publication papers, we introduced, around 1997–1999, a new customer segment division in our marketing: magazine publishers, newspaper publishers, catalogue and retail customers, printing houses, and merchants. Also the sales organization would go into that direction. Salesmen would not sell only one product type any more, such as newsprint or magazine paper or fine paper but more like a range of different products that a certain customer could or was likely to need.
> A further change we made was also that we introduced key account teams for our most important customers. And that was the way to set up the customer interface. The idea was that the team offered UPM's whole product range to the customer. Earlier the customer could be visited by different salesmen for different product types, even people from the mills. There could be five or six people going there, not knowing about each other, promoting and selling their own products. But now we would have that one team selling UPM's whole range. If there is a publisher customer who needs newsprint, magazine paper and fine paper – even some special product, like label paper – that one team takes care of it. This way we would take the complexity to ourselves and not spread it there in front of the customer.

[management interest (in corporate branding) mI#6]

Emphasizing to customers the corporation's offering of a wide product range rather than that of individual products

Interests in emphasizing to customers the corporation's offering of a wide product range rather than that of individual products since the 1990s. In the 1990s, the CEOs, line managers (of mills and, later [see 7.1.2], divisions), sales managers (of mills and, later [see 6.3.4], own sales offices) and marketing managers (of mills and, later [see 7.1.4], divisions) became more interested in emphasizing to customers the corporation's offering of a wide product range rather than that of individual products. This would be a translation of differentiating by offering customers a wide product range. Potential customers would have to know and understand that the corporation offered a wide range of products, rather than only single, individual products. Particularly new potential customers would not necessarily even know the corporation and the range of products it produced.

Mobilizations. The interests in emphasizing to customers the corporation's offering of a wide product range rather than that of individual products were strong, as brochures and advertisements, as well as salespeople, were made, in the late 1990s, to increasingly

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[475] Laiho 1998, pp. 120–121.

[476] Interviews (e.g. with Mynttinen 19.10.2005; Ovaska 1.2.2005);
Malmivaara, Hanna (2003), "Tuote on kuollut", *M-Real Insight,* 1, pp. 7–9.
Mynttinen, Veli-Matti (2004), "One M-Real" (editorial), *Embrace,* Spring, p. 3.

emphasize that different products offered were a part of a wide product range offered by the corporation. The interests were strong also, as the visual style, or identity, of promotional materials and packaging of products produced by different mills of the corporation were made more similar or unified, with the corporate name and logo clearly visible. Making the promotional materials and packaging of products offered and sold to customers visually somewhat similar and clearly showing the corporate name and logo would also communicate and emphasize to the customers that the products belonged to a wider range of products offered by the corporation[477].

> **Kymmene/UPM-Kymmene deputy CEO,** *retrospectively*:
> In about 1992 or 1993, we felt that the firm had a very dispersed image and identity, particularly when it came to the product promotional materials of different mills. I remember how we… once put down all our brochures on one big table. And it was not so easy to see that the products were part of the range of one company.
> And we changed it then … We put a wave [a visual element] at the top of every brochure… We decided what colours to use. And we decided that whatever the content of a brochure, it had to have the common visual element of the wave at the top.

When the corporation was leaving a sales association or when the sales associations were being dismantled, the interest in emphasizing the wide product range with a more unified visual identity with the corporate name and logo became particularly strong[478].

> **Metsä-Serla marketing manager,** *retrospectively:*
> When Finnpap was going down in 1995, we finally wanted to put a stop to the practice that every mill created materials, mainly product communications materials, which looked different. You couldn't identify them as coming from one company. You couldn't see that the products were part of the product range of our company.

6.3.3 Increasing customer demands for delivery reliability – The corporation becoming large (production capacity, mills)

Mobilizations. The customers who were consolidating and growing increasingly large were not only in need of an increasingly wide range of products, but also increasingly large volumes of individual product grades. The volumes could be large even in relation to the capacities of tens or hundreds of thousands of tons that paper and board machines had. Furthermore, the customers were increasingly operating in many geographical locations around the world and often willing to purchase paper and board products for the global needs of their companies from fewer and fewer suppliers. Buying centrally for the decentralized use of their companies, they could set pressure on the suppliers, demanding not only a wide selection of paper or board products from one supplier, but also simply an *ability*, in the form of sheer production capacity and delivery capability, to continuously supply large amounts of some product (or products) to the customer's subsidiaries in different locations[479]. An increasing number of customer companies would also explicitly require that their suppliers had several high-capacity production units in different locations as a guarantee of the delivery reliability, e.g. as protection against strikes and machine breakdowns[480]. A large size and a stable financial standing could also be required as a guarantee.

   The share of large customers willing to centrally buy from few suppliers able to supply large amounts of products to different locations was increasing not only among publishing companies

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[477] Paavilainen 1995.

[478] Apukka, Miia (1995) „Creating a clear corporate identity", *Metsä-Serla News,* Winter 1995-1996, pp. 10–11.
Poranen, Timo (1996), "New look, sharper focus" (editorial), *Metsä-Serla News,* 1, p. 3.

[479] Diesen 1998, p. 96;
Anon. (2001a), "Jukka Härmälä tekee tunnustuksen", *Stora Enso Global,* Maaliskuu, p. 32.

[480] Ahvenainen 1992, p. 636.

but also among e.g. merchants, who were forming large international chains and often willing to sell the same products in different countries, either mill branded products or with their own private labels. On the other hand, many consumer goods manufacturers were, since the 1980s, willing to become direct customers of the paperboard suppliers. First, the large, multinational tobacco manufacturers began to want to centrally buy the paperboard used in their tobacco packaging around the world themselves[481]. In the 1990s, an increasing number of large, multinational consumer goods manufacturers, such as cosmetics and pharmaceutical companies and even food, household, and electronics companies, were willing to adopt the same practice[482]. These customers wanted not only to cut costs by concentrating the purchases for their packaging board needs but also to ensure that the packaging of the products they sold around the world was similar. Actually, the large international magazine publishers increasingly had a similar need, in addition to cutting costs. They were increasingly publishing country-specific versions of the same magazine titles or having licensees publishing them – like Advance Group's Condé Nast for Vogue or Hearst Corporation for Cosmopolitan – and often wanted the paper to be the same for all the various country-specific versions.

There were also the liquid packaging carton and liquid packaging system providers, which were only few in number on the global level. Tetra Pak and Elopak, the main providers of the world's carton and packaging systems for e.g. dairy, liquid food, and juice manufacturers, were enormous in size, operating globally, and in need of millions of tons of liquid packaging board annually – again, spread quite evenly throughout the year in the form of continuous deliveries. These customers would also prefer to buy the amount of board needed from rather few suppliers which would have the production capacity and capability to continuously deliver orders of considerable sizes to many countries[483]. The suppliers should also have the ability and willingness to grow their production capacity at the same pace that the customer companies were growing. These capacity requirements concerned particularly Enso, which was among the few liquid packaging board manufacturers in the world. Enso's liquid packaging board business had been grown side by side with the growth of particularly Tetra Pak and Enso would have a share of about a fifth of the global market of this product[484].

Interests in improving the ability to continuously supply large amounts of products to customers' subsidiaries since the late 1980s. Recognizing the customers becoming bigger and more demanding in terms of large supply volumes in the 1980s and 1990s, the CEOs, line managers (of mills and, later [see 7.1.2], divisions), sales managers (of mills and, later [see 6.3.4], own sales offices) and marketing managers (of mills and, later [see 7.1.4], divisions) became more interested in improving the corporation's ability to continuously supply large amounts of products to customers' subsidiaries in different locations, countries, and even continents.

Furthermore, recognizing customers' increasing explicit requirements in terms of having high-capacity production units in different locations and in terms of mere size, the managers became also more interested in obtaining more production capacity and volume and mills in different locations, particularly in Central Europe, North America, and Asia, where the customers' subsidiaries would be located. Not being able to meet the explicit requirements of customers in terms of having high-capacity production units in different locations and in terms of mere size could mean that some large customers could be missed.

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481   Laiho 1998.

482   Laiho 1998, p. 199.

483   Kolunen, Jussi Petteri (1995), *Competitive advantage of the fibre packaging material industry of Finland,* Pro Gradu Master's Theseis, Department of Marketing, Helsinki School of Economics and Business Administration, Helsinki, Finland. p. 52.
Tilli, Juha (1995), *Marketing strategy and environmentalism – the case of a Finnish forest industry business unit,* Pro Gradu Master's Thesis, Department of Marketing, Helsinki School of Economics and Business Administration, Helsinki, Finland. p. 41.
Itkonen 1998, p. 4.

484   Interviews (e.g. with Taukojärvi 30.9.2005).

So, the interest which was also translation of leaving the sales associations and preparing for their dismantling was further strengthened.

Mobilizations. The management interests in improving the ability to continuously supply large amounts of products to the customers' subsidiaries and in obtaining more production capacity and volume and mills in different locations were strong, as the corporations made some mergers and acquisitions in the late 1980s and 1990s – not only in Finland and within the spheres but also elsewhere. As an example, Enso acquired A. Ahlström's forest industry operations, including e.g. newsprint machines, in Varkaus in 1987. The delivery reliability of Enso improved significantly with respect to newsprint, as the production no longer relied merely on the Summa mill[485]. This was important to customers, particularly as Enso had just left the sales association Finnpap. As another example, the interests were strong, as Enso acquired Tampella Metsäteollisuus in 1993. Enso's newspaper production capacity, as well as that for coated magazine paper, was beginning to be seen as too small for serving large customers, whereas Tampella's Anjala mills produced just these products.[486]

> **Enso CEO, Jukka Härmälä,** *in 1994 (after the acquisition of Tampella Metsäteollisuus)[487]*:
> For a customer, we are now a supplier worth considering. We were almost about to get stuck with the middleweights [in terms of capacity]…

The interests related to improving the ability to continuously supply large amounts of products to the customers' subsidiaries were fairly strong also, as the P&P corporations were building new capacity, or machines, particularly outside Finland where customers' subsidiaries were concentrated[488].

Interests in differentiating by offering large volume supply reliability since the 1990s. In the 1980s and 1990s, having increasingly large production capacity for individual product grades, even in different countries, as well as increasingly large size and good financial standing, the CEOs, line managers, sales managers and marketing managers became increasingly interested in differentiating from competition by offering customers the ability to supply large volumes of products reliably to different locations. This would be a further translation of differentiating beyond developing and introducing differentiated products. It would also be a translation of differentiating beyond offering a wide product range. For large customers in need of great volumes in different geographically dispersed subsidiaries, the offering would be attractive, as they could buy from one supplier instead of many and as they could rely on obtaining products of similar quality at the different subsidiaries. This could make it easier for the corporation to obtain new customers and have customers commit to continuously buying from the corporation.

The customers could also be willing to pay for the products a price that was a little above the market price, due to the value they would get from buying large volumes from one supplier, from the product delivered at different subsidiaries being of similar quality, and from the delivery reliability. Although sometimes customers would have to be given discounts for aggregated purchases, this would by no means be taken for granted[489].

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[485] Ahvenainen 1992, p. 626.

[486] Iivonen, Jyrki (1990), "Metsäteollisuus on Tampellan arvokkain osa Säästöpankkien yhtiö on altavastaaja yhteistyöneuvotteluissa", *Helsingin Sanomat,* 8.10.1990.
Hyvönen, Pia (1994), "Enso uskoo uuteen rakenteeseensa", *Talouselämä,* 55 (11), pp. 20–23.
Anon. (a) (1993), "Enso on suuri mutta hajanainen", *Talouselämä,* 55 (12), pp. 4–5.

[487] Hyvönen 1994.

[488] Holtari 1990; Lilius 1996; Laiho 1998, p. 199; Ahvenainen 1992, p. 688.

[489] Interviews (e.g. with Puotila 8.2.2005).

Moreover, differentiating by offering customers the ability to supply large volumes of products to different locations would be a translation of making the corporation less vulnerable to business cycles and countering the trend of decreasing market prices. Also, it would be one translation of developing and maintaining more partnership-oriented customer relationships and of decreasing the need to sell production on the spot, as customers would be more willing to continuously buy from a corporation being able to reliably supply large volumes. When it came to newspaper publishers and liquid packaging carton providers, partnerships had for long been common, but more partnerships could be established with newer customers such as consumer goods manufacturers/packagers, as well as with magazine publishers.[490]

[management interest (in corporate branding) mi#7]

Emphasizing to customers the corporation's offering of large volume supply reliability rather than that of products

Interests in emphasizing to customers the corporation's offering of large volume supply reliability rather than that of products since the 1990s. In the 1990s, the CEOs, line managers (of mills and, later [see 7.1.2], divisions), sales managers (of mills and, later [see 6.3.4], own sales offices) and marketing managers (of mills and, later [see 7.1.4], divisions) became more interested in emphasizing to customers the corporation's offering of large volume supply reliability rather than products. This would be a translation of differentiating by offering customers the ability to supply large volumes of products reliably to different locations. Potential customers would have to know and understand that the corporation offered this delivery reliability of large volumes, rather than merely single products with varying volumes and reliability in deliveries. Otherwise they would not necessarily know that they could get large volumes of products reliably to their different subsidiaries from the corporation. Particularly new potential customers would not necessarily even know about the corporation, let alone about its ability to deliver large volumes in terms of e.g. high-capacity production units in different locations. Furthermore, particularly new potential customers that were not established players in the business, such as consumer goods manufacturers, would not necessarily know this about the corporation, whereas established players, such as large publishing companies, liquid packaging carton providers, and merchants, would know the P&P corporations quite well.

Mobilizations. The interests in emphasizing to customers the corporation's offering of the ability to supply large volumes reliably were strong, as brochures and advertisements, as well as salespeople, were made to stress, in the late 1990s, this ability more to customers, in addition to presenting individual products and the product range of the corporation. The interests were strong also, as it was increasingly stressed that the corporation had high-capacity production units in different locations, as well as that the corporation had a considerable size and a stable financial standing.

Later, at the end of the 1990s and beginning of the 2000s, the interests were also strong, as the corporations' delivery reliability would also be stressed on corporate websites. The interests were present also, as financial information and interim reports were published on the websites:

> **Stora Enso investor relations manager**, *retrospectively*;
> For the large customers, our delivery reliability and continuance are important. So that we

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[490] Interviews (e.g. with Mynttinen 19.10.2005; Ovaska 1.2.2005; Taukojärvi 30.9.2005; Frejborg 25.2.2002; Parkkinen 9.3.2005).

are there supplying to them still in six months' time, or one, two, three years on. If a contract for a year is made, they look very carefully at our financial stability. It's part of their own risk analysis to reject suppliers that could go bankrupt. If the supplier suddenly goes bankrupt, they won't get the paper or get it on time. Indeed, their business stops if they rely on suppliers that are not financially solid. Thus, it's important to communicate the reliability to them, for instance, through the interim and annual reports on our websites… We are now one of the most global and largest paper companies in the world and we have been communicating that, as it makes a difference to large customers, such as publishers, who want to get the same paper reliably around the world. Also in the packaging business, where there are very large customers, it's important…

Finnboard/Metsä-Serla/M-Real sales manager, *retrospectively:*
At first, our website was largely an investment website. We hadn't realized that customers would be interested in our financials and financial standing, targets for our financial communication. But some years ago we realized this: I know that large customers visit the website also to check our financials.

6.3.4 Dismantling of the sales associations and Criticism of sales cooperation by competition authorities

Interests in leaving the sales associations in the 1990s. As the production capacity and number of mills of the corporations grew with the mergers within the capital spheres and other mergers and acquisitions in the late 1980s and in the 1990s, as well as with the many investment projects at the same time, the CEOs, line managers, sales managers (of mills) and marketing managers (of mills) became more interested in leaving the sales associations and preparing for their dismantling. Owning more and more machines, producing increasingly large volumes and varieties of products, and generating increasingly large cash flows, it would be increasingly viable, in terms of unit costs of sales and marketing, to establish their own networks of sales offices around Europe or the world in the 1990s[491]. The corporations would increasingly have economies of scale in sales and marketing, even without the sales associations. Moreover, the corporations would decreasingly need the joint sales associations to have pricing and market power, as they could, with their increasingly numerous machines, themselves possess increasingly significant shares of the production and supply volume at the market level. In selling to large customers, the credit risk related to delayed or cancelled payments for orders would be decreasing in relation to the increasingly large cash flows of the whole corporation.[492] The increasingly many large customers would be convinced about the delivery reliability of the corporations, as they would have increasingly many production units in different locations and larger size. And a wide range of products could be offered to customers in need of increasingly varied products, as corporations were producing increasingly many different products.

Moreover, there were the increasingly strong interests in freeing the corporation of the control and policies of the sales association and in having direct contacts to customers in developing and introducing differentiated products, and in not being forced to pay such expenses of the sales associations that would not fairly benefit the corporation fairly. And there were the increasingly strong interests in marketing differentiated products particularly to smaller customers via merchants in various market areas. Finally, there was the interest in making independent decisions and acting freely without the interference of other corporations and their managers through the sales associations.

Mobilizations. The interests in leaving the sales associations or dismantling them altogether and building own network of sales offices were strong, as Enso first left the sales associations for

[491] Heikkinen 2000, p. 443.
[492] Heikkinen 2000, pp. 474-483.

good in 1986 by leaving Finnpap and having Tervakoski, which it had acquired earlier that year, also leave (see p. 150). The interests were also strong, as Kymmene left the sales associations for good in 1990 by leaving Finnpap (see also p. 108). Eventually, the interests in freeing the corporation of the control and policies of the sales association, which would seldom serve the interests of a member corporation in a fair way, were particularly strong. Kymmene's managers considered that the power of combined UPM and Rauma-Repola, which announced a merger, would grow too large in Finnpap, threatening the fairness of decisions from Kymmene's perspective.[493]

On the other hand, Kymmene had grown in production capacity and widened the product range through e.g. the mergers of Kymi-Kaukas (1985) and with Schauman (1985/1987) and the building of Caledonian Paper (1989). It was also in the process of acquiring the French company Chapelle-Darblay together with the Swedish STORA, which would make Kymmene a significant newspaper producer and bringing in further LWC capacity (see p. 188)[494]. So, the managers of Kymmene felt it had enough production capacity and such a variety of products that it could shift the sales of its products produced in Finland to its own sales organization. Finally, Kymmene already had its own sales network as well for some of its products, such as fine papers (see p. 90). Leaving Finnpap and transferring also e.g. the sales of newsprint and magazine paper to its own sales network was fairly easy for Kymmene, like it had been for Enso. It did not have to build a network from scratch.

After the resignation of Kymmene, Enso assigned the sales of Tampella's mills to its own sales network in 1994, after its acquisition of Tampella's Forest in 1993. In 1995, anticipating the merger of UPM and Kymmene, Enso announced that Veitsiluoto would also leave the association in 1996. Veitsiluoto would also be merged with Enso.[495] This would mean that in Finnpap, only Metsä-Serla, Myllykoski, and UPM/Repola would remain. Nevertheless, it was, in 1995, widely considered that also UPM would soon resign, as there were merger negotiations with UPM and Kymmene (see p. 121).

Mobilizations. Moreover, since the 1980s, the Commission of the European Communities (EC), or later European Union (EU), had increasingly criticized the sales associations of the Finnish P&P corporations as unauthorized cartels in the market areas belonging to the European Economic Community (EEC). Although Finland was not an actual member of the EC, it had agreements on free trade with the EEC. After all, within the associations, the corporations largely agreed in consensus on prices and production volumes, even investments. The level of real competition between the mills and thus the corporations was rather questionable. The Commission demanded that the cartel be broken down. On the other hand, the resignment of e.g. Enso and Tervakoski, Kymmene, Tampella Forest, and Veitsiluoto could make the Commission temporarily alleviate the demands.[496]

Nevertheless, in the early 1990s, Finland itself was planning to join the EC, or the EU. The competition authorities of Finland and of the EU commission were disapproving of the cartel maintained by Finnpap more persistently than before and demanding that the marketing and pricing issues of the different member corporations be kept strictly separate[497].

Interests in organizing Finnpap according to the remaining members in the mid 1990s. Towards the mid 1990s, recognizing the increasing demands of competition authorities that the marketing and pricing issues of the different member corporations be kept strictly separate, the CEOs, line managers, sales managers (of mills) and marketing managers (of mills)

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[493] Heikkinen 2000, pp. 442–449; Näsi, Ranta, and Sajasalo 1998, pp. 101–121.

[494] Ojala 2001, pp. 40–42.

[495] Heikkinen 2000, pp. 443–449, 463–464.

[496] Näsi, Ranta, and Sajasalo 1998, pp. 42-45; Heikkinen 2000, pp. 418-426.

[497] Heikkinen 2000, p. 469.

of the remaining member corporations in Finnpap, Metsä-Serla, Myllykoski, and UPM/Repola became more interested in organizing Finnpap according to their corporations. The sales organization would be divided into units so that each corporation would get its own sales unit.

Moreover, organizing Finnpap according to their corporations would be a translation of preparing for the dismantling of the sales association that would likely occur when e.g. Kymmene-UPM/Repola merger would realize (see p. 121). Each corporation's own unit could be transferred to the corporations when the sales association was dismantled[498].

Mobilizations. In the beginning of 1995, Finland joined the EU. On the other hand, in 1995, the management interests in organizing Finnpap according to the remaining members were strong, as the reorganizing of Finnpap according to the remaining members was started so that UPM, Metsä-Serla, and Myllykoski would get their own sales and marketing units.

In September 1995 then, UPM/Repola and Kymmene then finally announced their merger. UPM-Kymmene would be formed in 1996[499]. The CEO-to-be, Juha Niemelä, first announced that UPM-Kymmene could partly sell its products via Finnpap and partly via its own network, i.e. that of Kymmene. However, the Commission of the EU, the rulings of which Finland and Finnish corporations had to follow after Finland had joined the EU in 1995, stated that UPM-Kymmene would have to sell all of its products via its own network and would not be allowed to do any sales cooperation with Finnpap, i.e. with Metsä-Serla or Myllykoski[500]. The sales associations in their existing form would have to be dismantled.

Interests in the dismantling of the sales associations and in the forming of an alliance by Metsä-Serla and Myllykoski since 1995. Recognizing the demands by the EU commission, the CEOs, line managers (of mills), sales managers (of mills) and marketing managers (of mills) of the remaining members, UPM-Kymmene, Metsä-Serla, and Myllykoski, became more interested in dismantling the sales associations. The sales networks and organizations of Finnpap and Finnboard would be divided among the remaining members UPM, or UPM-Kymmene, Metsä-Serla, and Myllykoski. Particularly for the managers of UPM-Kymmene, this would also be a translation of leaving the sales associations for good.

On the other hand, the managers of Metsä-Serla and Myllykoski, which were considerably smaller in terms of e.g. production capacities, number of mills, and financial size, and had considerably narrower product ranges than UPM-Kymmene, became more interested in forming a mutual sales alliance when the sales associations would be dismantled. They still recognized the problems with leaving the sales associations and were increasingly interested in differentiating by offering customers a wide product range and the ability to supply large volumes of products reliably. Forming the alliance would be a translation of e.g. the ability to supply large volumes reliably, of growing the size, production capacity, and the number of mills of, not one corporation, but the alliance of the two, as well as of offering customers a wide product range.[501] For instance, when it came to Metsä-Serla, it would not be able, without the alliance in 1995, to offer publisher and printer customers any other publication papers than its MWC magazine paper (Galerie Brite) which had properties close to fine paper, its LWC magazine paper (Galerie Lite), and its art paper (Galerie Art)[502]. Also, forming the alliance would decrease the unit costs of having a sales organization, increase the pricing and market power, and decrease the credit risk related to large customers.

Moreover, forming not only sales but also production and ownership alliance would be a translation of preventing cartel prohibitions which the EU commission would pose in case only

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[498] Heikkinen 2000, p. 465.

[499] Näsi, Ranta, and Sajasalo 1998, pp. 198–204.

[500] Näsi, Ranta, and Sajasalo 1998, p. 205.

[501] Martonen, Ari (1997), "Customer service: the essential factor" (editorial), *Metsä-Serla News*, 1, p. 3.

[502] Seppänen 1995.

sales cooperation would be continued. And particularly for the managers of Metsä-Serla, forming the alliance would be translation of Metsä-Serla becoming able to sell more pulp to Germany and its owner Metsäliitto becoming able to take care of Myllykoski's wood procurement.

Mobilizations. The management interests in dismantling the sales associations were strong, as in 1995–1997, the sales network and organization of Finnpap was transferred to UPM-Kymmene and combined with its existing own sales network, i.e. Kymmene's earlier own sales network. The interests in forming a sales, production, and ownership alliance by Metsä-Serla and Myllykoski were strong, as Metsä-Serla and Myllykoski formed a sales alliance and started building their own sales network around Finnboard's sales network.[503]

Furthermore, the interests were strong, as Metsä-Serla and Myllykoski also formed an ownership and production alliance, in addition to the joint sales network. In November 1995, Metsä-Serla acquired a 35 per cent stake of Myllykoski's mills in Finland and 50 per cent of Myllykoski's Albbruck mill in Germany. Further, the interests in obtaining more production capacity for their alliance to sell, as well as taking over established sales channels and customers, were strong, as in 1995–1996, Metsä-Serla first acquired a German company MD Papier, whose Plattling and Dachau mills produced LWC magazine paper, and later in the same year sold 50 percent of MD Papier to Myllykoski.[504]

Concerning the sales network further, Myllykoski made an agent deal with Metsä-Serla's network, operating under the name "Metsä-Serla Sales", concerning the sales of Myllykoski Paper's Finnish mills outside North America. Metsä-Serla, on the other hand, made an agent deal with Myllykoski's sales network in North America, concerning the sales of its products, as well as the products of the jointly-owned mills, there. In Germany, the jointly-owned mills were still to sell their own products. Outside Germany and North America, they were to be sold by Metsä-Serla's sales network; this would be the case also with Myllykoski's German mills Mochenwangen and Gebrüder Lang, which were not part of the ownership alliance.[505] With these arrangements Metsä-Serla and Myllykoski could together offer customers a wide selection of magazine papers, including standard grades, such as SC and LWC, and Metsä-Serla's somewhat differentiated grades. The alliance also became Europe's third largest magazine paper supplier.[506] Later, the German sales of the production of the jointly-owned mills, as well as Myllykoski's mills in Germany, would also be shifted to a joint sales network, which would be named "Forest Alliance"[507].

> **Metsä-Serla Executive, Ari Martonen *in 1997*[508]:**
> *…* We sell, for example, a product called packaging. We have to offer the customer all the options. Why would a salesman offer a customer only corrugated board if the customer needs also foldable boxboard? And also, in the paper business you need market power, which we could get by taking Myllykoski as our ally and the papers of the jointly-owned MD Papier and by acquiring Biberist…

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[503] Repola, Press Release, 19.1.1996; Kymmene, Press Release, 19.1.1996; Metsä-Serla, Press Release, 19.1.1996; UPM-Kymmene, Press Release, 10.1.1997.

[504] Martonen 1997; Näsi, Ranta, and Sajasalo 1998, pp. 206–210.

[505] Helsingin Sanomat, 8.6.1996.

[506] Interviews (e.g. with Mynttinen 19.10.2005);
        Lindberg, Leif (1996c), "Joint LWC strategy for Albbruck and Dachau", *Metsä-Serla News,* 2, pp. 24–27.
        Lindberg, Leif (1997b), "Metsä-Serla now a significant player in fine papers", *Metsä-Serla News,* 3, pp. 28–11.
        Heinonen, Jouni (1999a), "An alliance that works", *Insight,* Millennium, pp. 4–9.
        Heinonen, Jouni (1999b), "A profitable option", *Insight,* Millennium, pp. 10–11.
        Martonen 1997.

[507] Interviews (e.g. with Mynttinen 19.10.2005);
        Vuorenpää, Joona (1999), "Name behind the names" (editorial), *Metsä-Serla News,* 1, p. 3.
        Larvala, Raija (1998), "Forest Alliance provides local service worldwide", *Metsä-Serla News,* 3.
        Vuorenpää, Joona (1999), "Forest Alliance closes ranks", *Insight,* Millennium, pp. 12–14.

[508] Seppänen 1997a.

Metsä-Serla CEO, Jorma Vaajoki *in 1997[509]:*

> We have to think strategically in a way that we sell products produced by someone else if it's necessary from the point of view of a customer… In the publication paper business, it may well be that we need a third or 50 percent more to sell to be a good supplier.

Interests in Metsä-Serla focusing on magazine paper and coated fine paper products with higher value added since the mid 1990s. After entering the alliance with Myllykoski, particularly Metsä-Serla's CEOs, line managers, sales managers and marketing managers became more interested in having the corporation focus on magazine paper and fine paper products with higher value added, besides focusing on packaging boards (see pp. 121, 158). This would be a translation of maintaining the alliance and Myllykoski's willingness to maintain it. Namely, Myllykoski was producing mostly standard newsprint, SC, and LWC, and would not want to have Metsä-Serla's products compete with its own. Higher value added magazine papers and fine papers would not compete much with these products, nor would packaging boards.

Moreover, focusing on magazine paper and fine paper products with higher value would be a translation of e.g. having and communicating a clear and focused portfolio of core products and businesses to investors and analysts. And of course, interests in producing and marketing products for which demand was growing fast and which had high value added were strong.

Mobilizations. The above interests in focusing on magazine paper and coated fine paper products with higher value added were fairly strong, as in 1996–1997, Metsä-Serla acquired Biberist in Switzerland; in 1998–1999, UK Paper in the UK; in 2000, Modo Paper in Sweden[510]; and in 2000–2001 Zanders in Germany[511] (see also p. 128). All these companies were first and foremost producers of fine papers.

6.3.5 Customers not very aware of the corporation as a paper and board supplier

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[management interest (in corporate branding) mI#8]

Increasing (direct) customer awareness of the corporation as a paper and board supplier

Interests in increasing (direct) customer awareness of the corporation as a paper and board supplier since the 1990s. Increasingly interested in leaving the sales associations and preparing for their dismantling, and particularly after having left them or after they had been dismantled, the CEOs, line managers, corporate communications managers, sales managers and marketing managers became more interested in increasing customer awareness of the corporation as a paper and board supplier, especially among direct customers, such as publishers, large printing houses, package printers, converters, and merchants. This was due to recognizion that customers were not very aware of the corporation as a paper and board supplier. Not even all the customers buying or having bought products produced by the mills of the corporation were aware of the corporation behind the mill or trusted the corporation

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509   Ibid.
510   Metsä-Serla, Press Releases, 9.12.1999, 31.5.2000.
511   Metsä-Serla, Press Releases, 24.8.2000, 8.11.2000, 18.12.2000, 3.1.2001.

as a supplier. Among other, potential customers the awareness of the corporation would be even lower.[512]

> **Metsä-Serla corporate communications manager**, *retrospectively*:
> When Finnpap and Finnboard were being dismantled, the case was that there were markets and customers in the world that had used our products and knew them and the products' names but did not know our corporation. They might know that they were customers of the Äänekoski mill or Kangas mill but they would not necessarily know about the corporation behind those mills. Until these times, they had bought the products from Finnpap or Finnboard. To them, they were Finnpap's or Finnboard's products from Äänekoski. Or Finnpap's products from Kirkniemi.

Further, the managers were particularly more interested in shifting some of the customers' awareness of and trust in the sales associations and their sales offices as suppliers to the corporation and its sales offices. On the other hand, they were particularly more interested in making customers aware of the corporation that would sell certain products or products of certain mills and machines: the corporation behind the mills and products. Especially making customers aware of the corporation that would sell certain products or products of certain mills and machines would also be a translation of e.g. differentiating by offering customers a wide product range and ability to supply large volumes reliably. For the customers to know that the corporation offered these, with many mills in different locations, they would have to be more aware of the corporation as a paper and board supplier first.[513]

Mobilizations. The management interests in increasing customer awareness of the corporation as a paper and board supplier were strong, as promotional materials such as brochures and advertisements, as well as salespeople, were made to more clearly mention the corporate name to the customers. Customer magazines were established and sent to large customers. Customer visits to the mills and subsidiaries of the corporation were increasingly arranged. Moreover, the interests were fairly strong, as the visual style, or identity, of promotional materials and packaging of products produced by the mills of the corporation and sold to certain customers were made more similar or unified, with the corporate name and logo clearly visible. After the eventual resignment from sales associations or their dismantling, these changes and activities only increased.

> **Metsä-Serla CEO**, *retrospectively:*
> By the early 1990s, at latest, it was seen that it was only a matter of time when the associations would be dismantled. And we became more interested in raising customer awareness of our corporation. We made more promotional materials with the corporate name and for the corporation. And one thing was of course that the appearance of the materials, letterheads, etc. that were produced in different mills and the head office were made a little more unified. There started to be more unification of the visual identities.

After the resignment of a sales association or its dismantling, the management interests in increasing customer awareness of the corporation as paper and board supplier were especially strong, as particular advertisement and direct mail campaigns, telling the customers about the corporation leaving the association, about the mills it owned and the products it was offering. Promotional materials and advertisements with the sales associations' names were eliminated and replaced with materials with the corporate name, consistent with the unified visual identity. Sales offices were generally made to operate under the name of the corporation. Own sales offices with the corporate name were established or names of sales offices inherited from the sales associations changed.

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[512] Interviews (e.g. with Poranen 11.5.2005; Kettunen 10.3.2005; Kivelä 3.3.2005).

[513] Ibid.

Enso/Stora Enso marketing manager, *retrospectively:*
After we had left Finnpap for good in the mid 1980s, we became more interested in making customers familiar with Enso-Gutzeit. Of course, we engaged in more advertising and such. In the promotion and advertisement materials we started to use a more unified visual identity. We had, for instance, a kind of button folder where there were some guidelines.

Metsä-Serla CEO, *retrospectively:*
The visual identities were a mess when the sales associations were being dismantled. We had our own, but Finnboard and Finnpap had their own, too. Those of the sales associations were eliminated, of course. This was when we started to accelerate increasing customer awareness of our corporation. At latest then we wanted to have customers familiar with our corporation, not only with the sales associations.
Also the sales offices were unified as one organization, with the name Metsä-Serla Sales. We combined some of the sales offices we obtained from the division of Finnpap and Finnboard. They were made to operate under one name and visual identity.

6.3.6 Increasing customer demands for service: shorter delivery times and smaller order sizes

Mobilizations. Since the 1980s, more and more of the customers of the P&P corporations began to request and demand their products to be delivered with shorter delivery times, as well as the possibility to make orders of smaller sizes. Shorter delivery times and the possibility to make smaller orders became more important criteria for them in choosing the supplier, as in most products, the technical quality did not vary considerably across suppliers[514], and as the customers were increasingly willing to release as much working capital tied in inventories as possible and push the inventories to the paper and board suppliers[515]. The customers were increasingly demanding flexibility and "just-in-time" service in terms of shorter delivery times and smaller delivery sizes[516].

Interests in shorter delivery times and smaller delivery sizes since the 1980s.
Recognizing the increasing customer demands, the CEOs, line managers (of mills and, later [see 7.1.2], divisions), sales managers (of mills and, later [see 6.3.4], own sales offices) and marketing managers (of mills and, later [see 7.1.4], divisions) became more interested in the ability to provide shorter delivery times and smaller delivery sizes. Not being able to meet the increasing requests of customers for "just-in-time" service could mean that some potential customers would be missed or even that some important existing customers would reduce or stop purchasing from a P&P corporation[517].

Mobilizations. The interests in the ability to provide shorter delivery times and smaller order sizes were strong, as the corporations built an increasing number of warehouses in the market areas, close to customers. When the sales associations still existed, the warehouses were often commonly owned by the member corporations. Corporations that had left the sales associations could build their own warehouses or cooperatively use those of the sales associations' members

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[514] Ruoslahti-Holländer, Liisa (1983), *Markkinoinin suunnittelujärjestelmää tukevan informaatiojärjestelmän kehittäminen Enso-Gutzeit OY:n paperiryhmässä,*. Pro Gradu Master's Thesis, Department of Marketing, Helsinki School of Economics and Business Administration, Helsinki, Finland.
Ranta, Jukka, Martin Ollus and Anneli Leppänen (1992), "Information technology and structural change in the paper and pulp industry", *Computers in Industry*, 20, pp. 255-269.
Hernesniemi, Hannu, Markku Lammi and Pekka Yläanttila (1995), *Kansallinen kilpailukyky ja teollinen tulevaisuus*, Helsinki: Taloustieto Oy.
Ylihärsilä 1991, p. 54: Itkonen, pp. 4, 100.

[515] Smolander, A. (1993), "Kasvavan joustavuuden vaikutus tuotantolinjan tuotannonsuunnitteluun ja tuotannonohjaukseen paperinvalmistuksessa", Paper presented at Automaatio 93, Helsinki Fair Center, May 11-13, 1993, Helsinki, Finland. pp. 244–248.

[516] Poesche 1995, p. 7; Kuuramaa 2004; Laiho 1998, p. 102.
Interviews (e.g with Elovainio 31.1.2005);
Laurila, Juha and Kari Lilja (2002), "The dominance of firm-level competitive pressures over functional-level institutional pressures: The case of the Finnish-based forest industry firms", *Organization Studies*, 23 (4), pp. 571-597.

[517] Laiho 1998, p. 102.

or those of each other. The interests were strong also, as cooperative relationships were formed with local cutting and sheeting plants within markets, or own plants were acquired. Particularly non-standard sheets and small reels were cut close to customers, so that they would not have to be stored for a long time while waiting for irregular orders. Standard sizes, whose demand was fairly constant, were often cut already at the mill. From the warehouses, sometimes via local sheeting plants, customers' orders could be delivered to them in few days. The interests in the ability to provide shorter delivery times and smaller order sizes were strong also, as safety stocks would be kept at various stages of the production and distribution chain: at the mills, at harbor warehouses close to the mill, at harbor warehouses in the markets, at cutting and sheeting plants, and at warehouses closer to customers.[518]

Moreover, the interests in the ability to provide shorter delivery times and smaller order sizes were strong, as, in addition to building warehouses and having cutting and sheeting plants close to customers, the P&P corporations were building capacity, or new mills, and acquiring and merging with companies with capacity close to where customers were located (see sections 6.4.1, 6.4.2, 6.4.6)[519]. For instance, compared to delivering orders from a mill located in Finland to Germany, delivering the orders from a mill in Germany meant that several significant steps in the distribution chain, i.e. port warehouse in Finland, sea voyage, and port warehouse in Germany, with the days or weeks of delays to the delivery times caused by them, could potentially be eliminated. The advantage of having the mill close to the customers was of particular importance with respect to fine paper products, especially sheeted, where there were numerous geographically dispersed customers who did not have very stable order flows[520]. So, Enso had the interest strong in acquiring a majority share in Berghuizer Papierfabrik in the Netherlands in 1989. And so did Metsä-Serla, when trying to acquire UK Paper in 1989, although a competitor was eventually able to buy the company ahead of Metsä-Serla. Nevertheless, having a mill close to customers would be fairly important for short delivery times and small order sizes with respect to all the products and customers, not only fine paper.[521]

Interests in differentiating by offering shorter delivery times and smaller order sizes in the 1980s. Furthermore, in the 1980s and 1990s, increasingly having warehouses and mills within market areas and being able to deliver to customers with fairly short delivery times and/or small order sizes, the CEOs, line managers, sales managers, and marketing managers became more interested in differentiating from competition by offering customers shorter delivery times and/or smaller order sizes. This would be a translation of differentiating beyond developing and introducing differentiated products. It would also be a translation of differentiating beyond offering a wide product range and the ability supply large volumes reliably. For customers who were not willing or able to hold significant stock themselves, this kind of service offering would be attractive. Being able to guarantee shorter delivery times for smaller orders than competitors would bring growth in sales and enable obtaining higher prices, or at least better opposition to price reductions, for instance during economic downturns. Moreover, when competitors would have production problems or be unable to supply extra amounts of paper or board products suddenly needed by a customer, the producer who could respond and deliver to these kinds of special orders could greatly increase customer satisfaction. Being flexible enough to meet demand when others could not could be crucial, for instance to

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[518] Hakkarainen, Niilo (1993), *Oravanpyörässä*. Porvoo, Finland: WSOY. pp. 170–-171.
    Kivelä, Pekka (1994), "Winpac brings service close to the markets", *Metsä-Serla News,* Winter 1994-1995, p. 26.
    Sederholm, Eeva (2002), "Delivery times cut dramatically", *Embrace,* Summer, pp. 25–26.
    Ahvenainen 1992, p. 634; Laiho 1998, p. 102; Kolunen 1995, p. 81.
[519] Ahvenainen 1992, p. 688.
[520] Alajoutsijärvi 1996, p. 169.
[521] Malin, Risto (1990a), "Europaineet jäivät muhimaan", *Talouselämä,* 3, pp. 66–67.
    Malin, Risto (1990b), "Vieras paperimaakari tuli Euroopppaan", *Talouselämä,* 4, pp. 38–40.
    Poesche 1995, p. 4; Siitonen 2003, p. 173; Hakkarainen 1993, pp. 170–171.

large customers such as printers of large publishers or Tetra Pak as a buyer of liquid packaging boards. This customer satisfaction would also mean more sales and enable higher prices and less pressure to reduce prices, in general or in downturns.[522]

Moreover, differentiating by offering customers shorter delivery times and smaller delivery sizes would be a translation of making the corporation less vulnerable to the business cycles and countering the trend of decreasing market prices. Also, it would be one translation of developing and maintaining more partnership-oriented, longer-term customer relationships and of decreasing the need to sell to customers on the spot, as customers would be more willing to continuously buy the products with shorter delivery times and smaller order sizes from the corporation. Furthermore, differentiation by shorter delivery times and smaller delivery sizes would be a translation of decreasing price competition with other suppliers. Namely, when the prices set for individual orders, whether part of a longer-term contract or not, would be based also on the service components related to e.g. delivery speed and small size of orders, instead of just the ordered amount of certain standard technical product, the price transparency would also decrease. With decreased price transparency, it would be more difficult for competitors to compare their offerings and match the prices or underbid[523].

Mobilizations. Also the management interests in differentiating by offering customers shorter delivery times and smaller order sizes were strong, as the corporations built warehouses and had cutting and sheeting plants close to customers and fairly strong, as they were building capacity, or new mills, and acquiring and merging with companies with capacity close to where customers were located.

Increasing inventories at mills, harbor warehouses, cutting and sheeting plant warehouses, and market warehouses enabled shorter delivery times and smaller order sizes. However, large inventories generated also large costs. Then, especially since the mid 1990s, after the removal of restrictions to foreign ownership of Finnish corporations in 1993 (see section 6.1.4), investors were increasingly demanding shareholder value in the form of e.g. return on and efficient use of capital (see section 6.1.6). Furthermore, the Finnish government made changes to laws concerning corporate taxation and book-keeping, also in 1993 (see section 6.1.4). Undervaluation of inventories on the balance sheet was not allowed to the same extent as earlier, which would further increase the book value of capital tied in inventories. On the other hand, the level of corporate tax was lowered: shareholders increasingly demanded that profits be shown and not covered by e.g. just producing products to inventory in an attempt to reduce profits subject to taxes. Actually, the law changes also made reducing profits subject to taxes by producing products to inventory more difficult, as inventory reserve was not allowed to the same extent as earlier.[524]

Interests in cutting lead times of products through the production and distribution chain since the 1990s. Recognizing the costs generated by large inventories, the shareholder value demands, and the changes in corporate tax and book-keeping legislation in the 1990s, the CEOs, line managers, sales managers, and marketing managers became more interested in cutting lead times of products through the production and distribution chains. If lead times could be cut, inventories would not have to be piled to the same extent and short delivery times and small order sizes could be provided regardless.[525]

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[522] Laiho 1998, p. 104; Itkonen 1998, pp. 4, 100;
Munter, Sami (2004b), "Nopeaa täsmäpalvelua", *Staffin Stora Enso,* Maaliskuu, pp. 22–26.
Interviews (e.g. with Elovainio 31.1.2005).

[523] Haarla 2003, p. 92.

[524] Interviews (e.g. with Anttila 8.11.2005).

[525] Interviews (e.g. with Mynttinen 19.10.2005; Anttila 8.11.2005);
Mäkinen, Seppo (1999), "Managing the supply chain" (editorial), *Metsä-Serla News,* Autumn, p. 3.

Mobilizations. The interests in cutting lead times of products through the production and distribution chain were strong, as attempts were made to shorten production cycles e.g. at mills. However, this turned out to be difficult, as production managers and personnel were largely accustomed to having the main objective of producing high volumes and having full utilization, preferably 100 percent, at every value-adding operation, such as paper- or boardmaking, coating, cutting, sheeting, wrapping, and packaging. Due to the capital-intensity of the production and the high investment and fixed costs, their aim was to keep machines running continuously at full capacity so that unit costs at every production step could be minimized. Every operation aimed to internally optimize its own output and avoid or minimize lost production in the form of stoppages of machines or waste or scrap. Overproduction and excess inventory were justified by high utilization rates, particularly in the paper- and boardmaking operations[526].

According to the objective of full utilization at the paper- or boardmaking step, efforts were made to minimize product grade changes at the machines, since every change meant that the machine produced no paper or board at all during the actual change and low-quality paper or board, i.e. broke, for a while after the change. As had traditionally been the case, one machine still produced several grades or, at least, several grammages of each grade. The production of each grade or grammage was done one after another, sequentially, so that all the grades came to be produced during a production cycle, usually with a duration of at least 3–5 weeks. On the other hand, compression of production time and cycle would make grade changes more frequent, resulting in more machine down time and increased broke, and were thus not in line with the objective of full utilization.[527] The long production cycles were making the delivery times longer. To simplify, if the order of a customer came at the beginning of a production cycle for a product that would be produced at the end of the cycle, perhaps after a month, the order could basically not be, even in theory, shipped before this, unless the product happened to be readily available in inventory at the mill or somewhere along the distribution chain. And this delay due to the production cycle at the paper or board machine was not all there was. The produced paper or board reels still had to wait some days idle at the mill in work-in-progress inventory to be cut, then wait to be wrapped, then wait to be packaged, and then wait to be dispatched at the mill warehouse. Moreover, if the question was about paper or board to be delivered in sheets, before wrapping, the paper or board of the reels could have to wait for days to be sheeted; this sheeting could be done at the mill but was often done closer to customers, e.g. after a sea voyage.[528]

Even the delays at the mill were not all the waiting there was. From the mill warehouse, the products were usually transported to a port warehouse, where the products waited for some days, even weeks. The sea voyage took from days to about one week and at the destination harbor, the products waited at a warehouse again for a time period that could last anywhere from a few days to a month or more. From the port warehouse, the products were eventually transported to customers. If the products were to be delivered sheeted, they would still, before transportation to e.g. wholesaler warehouses have to be transported to a sheet cutting plant – if the sheeting had not been done at the mill – where they would again wait idly for days or even weeks.[529]

On the other hand, with the interest of simultaneously offering customers shorter delivery times and order sizes, particularly the mills usually produced, based on forecasts of incoming orders and shipments, a certain volume of a certain product grade and grammage into inventory for weeks or even months in advance. Significant deviations and inaccuracy in sales forecasts further increased the need to build up safety stocks. Hence, not only were there long production

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[526] Itkonen 1998, p. 100.

[527] Hameri, Ari-Pekka (1994), "Papermaking and distribution logistics – practical experience", *Paperi ja Puu - Paper and Timber*, 76 (4), pp. 246-250.
Itkonen 1998, pp. 4, 5.

[528] Hameri 1994, pp. 246–250.

[529] Ibid.

lead times due to the objective of full utilization at each value-adding operation and the resulting suboptimization but also unplanned production, and higher buffer stock. Finally, in terms of capacity utilization at the machines, the efficiency of different operations could actually seem to be high, as they could run nearly at full utilization rates most of the time. Nevertheless, efficiency in terms of production and distribution flow was low, resulting in long production lead times and delivery times.[530]

Interests in new efficiency measures, responsibility for return on capital, and skipping grammages since the 1990s. Recognizing the above problems with cutting the lead times of products through the production processes and distribution chains, the CEOs and line managers became more interested in setting up and following other efficiency measures and objectives than high utilization rates and production volumes at individual operations: short production lead times and waiting times at each work operation, short delivery times, small sizes of work-in-progress and finished-products inventories, and high inventory turnover rates. The managers also became more interested in giving the mills and other production units more responsibility for return on capital. And the managers became more interested in having e.g. mills skipping grammages during production cycles, depending on the order stock. [531]

Interests in differentiating by offering short delivery times and small delivery sizes since the mid 1990s. To the extent that the corporation could deliver to customers with fairly short delivery times and/or small order sizes through shortening production and distribution lead times, even by holding only moderate inventories, the CEOs, line managers (of mills and, later [see 7.1.2], divisions), sales managers (of mills and, later [see 6.3.4], own sales offices) and marketing managers (of mills and, later [see 7.1.4], divisions) were still increasingly interested in differentiating by offering customers shorter delivery times and small order sizes[532]. Actually, as most competitors would also try to reduce their costs of holding inventories, there could even be an increasing margin for differentiation here. As most competing producers pursued smaller inventories, it would be increasingly difficult for them to offer customers short delivery times and small order sizes – unlike earlier, when this would be done by keeping large safety stocks. So, to the extent that the corporation could do this well, it could somewhat differentiate itself from the competition. On the other hand, especially standard products of standard sizes, whose demand would be fairly constant, could still be held in stock at warehouses and sheeting plants near customers[533].

Mobilizations. The interests in differentiating by short delivery times and small delivery sizes were fairly strong, as even somewhat higher safety stocks could be maintained to offer this delivery flexibility. The customers were often willing to pay premium prices for products delivered faster and in smaller sizes. On the other hand, as safety stock would generally be held to a smaller extent, the customers would be increasingly requesting an ability to track the progress of orders and deliveries in the late 1990s.

Interests in offering order tracking, in building information systems, and in offering vendor-managed inventory since the late 1990s. In the late 1990s, the CEOs, line managers, sales managers, and marketing managers also became more interested in offering customers the ability to easily and accurately track orders through information systems.

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[530] Ibid.

[531] Interviews (e.g. with Mynttinen 19.10.2005); Diesen 1998; Hameri 1994, pp. 246–250.

[532] Interviews (e.g. with Mynttinen 19.10.2005); Mäkinen 1999; Munter 2004b.

[533] Sederholm 2002.

This would a further translation of differentiating by shorter delivery times and smaller order sizes.[534]

Furthermore, the managers became more interested in building information systems together with large customers, providing the corporation information about the customers' actual consumption and inventory levels at the customers' subsidiaries. This would also be a translation of differentiating by offering shorter delivery times and smaller order sizes. Namely, the information would enable more accurate production and distribution planning with shorter production cycles and accelerated shipments from inventories at various locations according to actual consumption. Without the information, the corporation would have to do the production and distribution planning the old-fashioned way: it would have information mainly on incoming – often price-speculative – orders, and it would lack information about the customers' actual consumption. This would result in significant deviations and inaccuracy in sales forecasts. This would also result in the need for considerable inventories if short delivery times were to be maintained.[535] On the other hand, many customers, particularly larger ones would themselves be willing to partner with certain P&P corporations capable of offering short delivery times and small order sizes. They would be willing to invest in information systems with these corporations to enable even shorter delivery times and smaller order sizes.[536]

Finally, the managers became interested in offering partnerships based on developing inventory level information systems towards vendor-managed inventory arrangements, whereby the corporation would take care of the stock of the customer, i.e. that the amount of paper in the customers' stock would always be within specified limits[537]. This would be a further translation of differentiating by offering shorter delivery times and smaller delivery sizes. Moreover, it would be a translation of differentiating by offering the customers outsourcing services and an ability to reduce the customers' transaction and capital costs. The customer would not have to be concerned about making orders at all. The corporation could even own the products in the stock, further creating value to the customer in the form of reduced working capital costs. To the extent that the corporation could offer these kinds of arrangements effectively through efficient production and distribution, without excessively increasing its own capital costs, the managers were interested in them as a way of differentiation.

[management interest (in corporate branding) mI#9]

Emphasizing to customers the corporation's offering of services rather than that of products (*delivery times and order sizes*)

Interests in emphasizing to customers the corporation's offering of services rather than that of product – delivery times and order sizes since the late 1990s. In the late 1990s, with the corporations being able to better deliver to customers with fairly short delivery times and/or small order sizes through shortening production and distribution lead times, the CEOs, line managers (of mills and, later [see 7.1.2], divisions), sales managers (of mills and, later [see 6.3.4], own sales offices) and marketing managers (of mills and, later [see 7.1.4], divisions) became more interested in emphasizing to customers the corporation's service

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534 Interviews (e.g. with Mynttinen 19.10.2005; Vainio 22.9.2005; Karhu 9.11.2005);
     Munter, Sami (2002b), "Uudet tuotteet hallussa", *Stora Enso Global,* Marraskuu, pp. 4–5.
     Laurila and Lilja 2002.
535 Alajoutsijärvi, Klint, and Tikkanen 2001; Hameri 1994, pp. 246–250.
     Artto, Juhani (2000), "Liiketoiminta sähköistyy", *UPM-Kymmene Watch,* 4, pp. 14–17.
     Nurminen, Tapio (2000), "Papinet hyödyttää kaikkia", *UPM-Kymmene Watch,* 4, p. 18.
536 Interviews;
     Artto 2000; Nurminen 2000.
537 Laurila and Lilja 2003;
     Manninen, Heikki (2003), "The packaging chain" (editorial), *Embrace,* Summer, p. 3.

offering in terms of short delivery times and small order sizes. This would be a translation of differentiating by offering customers short delivery times and small order sizes rather than just products. Potential customers would have to know and understand that the corporation offered this delivery flexibility to them, rather than merely single products with no significant differentiation in terms of the service aspects.

Mobilizations. The management interests in communicating and emphasizing to customers the delivery flexibility in terms of shorter delivery times and shorter order sizes were strong, as brochures and advertisements, as well as salespeople, were increasingly made to stress, in the late 1990s, this flexibility to customers. The preparedness to develop partnerships with information exchange systems and vendor-managed inventories was also increasingly emphasized. Moreover, the interests were strong, as there was more emphasis on production units close to the markets, as well as warehouses and cutting and sheeting plants within the markets. These served as signs for the customer of the delivery flexibility of the corporation. Corporate advertisements, as well as promotional materials such as customer magazines, were also used to increasingly communicate and emphasize these aspects.[538]

6.3.7 Increasing customer demands for service: the possibility of joint development of customized products

Mobilizations. In the 1990s, the large customers increasingly began to request and demand the possibility to have paper and board products or product variants tailored to their specific needs in a cooperative process that they could themselves participate in. Small, continuous quality development of standard product grades of mills had always been done in cooperation with existing customers. Cooperation with one or few key customers had been done to some extent also in the development of new differentiated products. But in the late 1990s, large customers were increasingly anxious to have customized products or product variants tailored to their needs. Particularly large publishers were increasingly willing to optimize the image of their publications, especially magazines, to appeal to the targeted readers and advertisers. Actually, magazine publishers themselves were also increasingly specifying the paper on which their magazines were printed – rather than leaving the final choice to the printing house. On the other hand, more and more manufacturers of branded consumer goods were willing to influence the exact choice of the packaging material of their products instead of leaving the choice to e.g. the packaging printer or manufacturer.[539] Particularly such large consumer goods manufacturers as producers of tobacco, cosmetics, food, healthcare, and electronics products could be increasingly interested in having board packaging material tailored to them as part of a certain board packaging solution[540].

Interests in giving large customers the possibility to have products tailored to them since the late 1990s. Recognizing the increasing demands of large customers, the CEOs, line managers (of mills and divisions [see 7.1.2]), and marketing managers (of mills and divisions [see 7.1.4]) became interested in giving large customers the possibility to have products somewhat tailored to them. Moreover, giving large customers the possibility to have products somewhat tailored to them would be a translation of obtaining premium prices for products. Customers would be prepared to pay premium prices at some level for tailored products relative

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[538] Interviews (e.g. with Mynttinen 19.10.2005; Vainio 22.9.2005; Karhu 9.11.2005).

[539] Interviews (e.g. with Mynttinen 19.10.2005; Ovaska 1.2.2005; Taukojärvi 30.9.2005; Frejborg 25.2.2002; Parkkinen 9.3.2005); Laurila and Lilja 2002.

[540] Ylänen, p. 125.

to standard products, directly or in the cost of printing work or package manufacturing. Also, it would be a translation of building long-term, partnership-oriented customer relationships. The customers would be committed to a long-term relationship of buying the tailored products from the corporation, and not likely to change to a different supplier or a different paper or board product.[541]. On the other hand, this kind of possibility of having products or product variants tailored in a partnership process would also be increasingly requested by some customers[542]. Finally, giving some customers the possibility of having products somewhat tailored to them would be a translation of also creating new business opportunities with other customers. For instance, e.g. new kinds of innovative packages and packaging systems could be developed with certain customers, after which they could eventually come to be adopted into wider use, potentially creating extensive demand for the paperboard developed for the package solutions[543].

Mobilizations. The interests in giving some customers the possibility to have products somewhat tailored to them were strong, as the P&P corporations were investing more in research and development personnel and also in technical sales personnel, as well as key account teams to take care of the large customers' needs. The interests were particularly strong, as expertise and understanding of customers' business and its logic was increasingly sought in the late 1990s – as well as the needs and preferences of the customers' customers such as magazine readers or packaged consumer good buyers[544].

> **Metsä-Serla CEO, Jorma Vaajoki, _in 1996_[545]:**
> I would believe that we have to, more empathically than before, familiarize ourselves with the needs and goals of our customers' customers, or the end-users of our products. That is probably also the only way to improve the forecastability of business trends.

When recruiting development personnel, the P&P corporations could recruit people who were experts or former employees of e.g. the publishing and advertising business, or the cosmetics or food (packaging) business. They could also increasingly cooperate with e.g. publishers and printers in training the personnel in issues related to magazine or newspaper making. Particularly Metsä-Serla began to do this fairly early in the late 1990s[546]. The interests in giving some customers the possibility to have products somewhat tailored to them were fairly strong also, as the corporations were increasingly studying the experiences and perceptions of the readers of publications, focusing on the role of the paper used. For instance, Metsä-Serla even had a specific initiative for this: Paper Personality Management (PPM) initiated in 1999 was a university-supported research effort exploring the connection between the characteristics of the paper and an individual reader's reading experience[547]. Moreover, the interests were fairly strong, as special development and innovation centers were established in different countries by the P&P corporations, where cooperation between the representatives of the P&P corporations and customers, as well as various experts, could be facilitated. Even printing presses could be built for the customers to test papers, inks, etc.

Furthermore, the interests in giving some customers the possibility to have products somewhat tailored to them were strong, as actual development projects with the customers were carried out in more cooperation with inside and outside experts. With respect to large

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[541] Interviews (e.g. with Taukojärvi 30.9.2005; Mynttinen 19.10.2005; Frejborg 25.2.2002; Parkkinen 9.3.2005; Siitonen 16.2.2005).

[542] Kuuramaa 2004, p.2.

[543] Interviews (e.g. with Karhu 9.11.2005).

[544] Byring, Pontus (2000), _Nordicum_, 3–4, pp. 28–30.
      Jaakkola, Jouko M. (2002), "M-Real is for customers" (editorial), _Embrace_, Winter, p. 2.

[545] Illi, Anita (1996), "Metsä-Serla muutosten myllerryksessä", _Paperi ja Puu – Paper and Timber_, 78 (10), pp. 564–567.

[546] Seppänen 1997a;
      Rouhiainen, Juha (2002), "Erikoistumista laajalla skaalalla", _M-Real Insight_, 4, pp. 12–13.
      Takala, Mikko (2002), "Asiakas arvoketjun moottorina: Publishing –toimiala hakee kilpailuetua kustantajien liiketoiminnan ymmärtämisestä", _M-Real Insight_, 3, pp. 10–13.

[547] Laurila and Lilja 2003.

publisher customers, e.g. editors, printing machine experts, ink experts, advertising experts, graphical designers, and readers could be actively involved. With respect to consumer good packagers, the variety of experts could be even wider, particularly in case the tailoring of the board would be part of developing new innovative packaging solutions: there could be e.g. paperboard converter experts, converting machine experts, package manufacturer experts, packaging machine experts, designers, and package end-users involved[548].

Interests in differentiating by offering joint research and development projects and customized products since the late 1990s. Further, in the late 1990s, the CEOs, line managers, and marketing managers became more interested in also differentiating from competition by offering large customers joint research and development (R&D) projects and customized products. This would be a translation of differentiating beyond developing and introducing differentiated products. For customers who would be willing to optimize their end products in relation to the properties of paper or paperboard used in it or its packaging, this kind of service offering could be attractive, at least relative to small competitors who lacked resources. They could pay premium prices for the products relative to standard products, have less resistance to price increases, and put less pressure on the supplier for price reductions, in general or during downturns. Moreover, differentiating from competition by offering large customers joint R&D projects and customized products would also be a translation of making the corporation less vulnerable to the business cycles and market price fluctuations, countering the trend of decreasing market prices, as what would be offered and sold would not be mere standard products. Also, it would be one translation of developing and maintaining more partnership-oriented, longer-term customer relationships and of decreasing the need to sell production on the spot, as the customers would be prepared to commit to continuously buying the jointly-developed products.[549]

[management interest (in corporate branding) mI#9 *(continued)*]

Emphasizing to customers the corporation's offering of services rather than that of products *(joint R&D and tailoring)*

Interests in emphasizing to customers the corporation's offering of services rather than that of products – joint R&D and tailoring since the late 1990s. In the late 1990s, with the corporations having R&D organizations with more resources and more expertise of their customers' businesses, the CEOs, line managers (of mills and divisions [see 7.1.2]), and marketing managers (of mills and divisions [see 7.1.4]) became more interested in emphasizing to customers the corporation's services in the form of the possibility to have joint R&D projects and tailored products. This would be one translation of differentiating by offering large customers joint R&D projects and tailored products, rather than just more or less the same ready-made products to all. Potential customers would have to know and understand that the corporation offered some possibility to joit R&D projects and tailore products to them. Again, this was particularly important in new customer acquisition – new potential customers would not necessarily even know the corporation and even less about its offering of joint research and development projects and products tailored to them.[550]

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548   Kilpinen, Pentti (1995), "Paperboard division's increasing customer focus" (editorial), *Metsä-Serla News,* Winter 1995-1996, p. 2.
       Törn, Tage (2003), "Stora Enso kehittää kartonkipakkausratkaisuja", *Pakkaus,* 11, 24-25
       Interviews (e.g. with Karhu 9.11.2005; Taukojärvi 30.9.2005; Mynttinen 19.10.2005; Frejborg 25.2.2002; Parkkinen 9.3.2005; Siitonen 16.2.2005).
549   Haarla 2003, p. 92.
550   Interviews (e.g. Taukojärvi 30.9.2005; Mynttinen 19.10.2005; Frejborg 25.2.2002; Parkkinen 9.3.2005; Siitonen 16.2.2005).

Mobilizations. The interests in emphasizing the possibility of joint research and development projects to large customers were strong, as promotional materials, such as brochures and advertisements, and salespeople were made to stress this possibility more to those customers. Also, the corporation's R&D resources, its expertise in the customers' business and its R&D centers were increasingly pointed out. The interests were also strong, as corporate advertisements, as well as promotional materials such as customer magazines, were increasingly made to mention and stress the same things. Also, successful cases of joint development projects with certain customers and the tailored products developed were increasingly presented in customer magazines and other promotional materials.

> **Enso/Stora Enso line manager (executive),** *retrospectively*:
> Emphasizing the R&D capability and the preparedness for developing products in cooperation with the customers increased since the late 1990s. It could make a difference in obtaining new large customers and getting to develop long-term partnerships with them. Knowing your customers' business, being an expert with respect to it and knowing your own products thoroughly would be important. It could differentiate you: not every hot-dog stand keeper could offer the service, the support of the whole large R&D organization, for solving the customers' problems.

6.3.8 Boundaries between standard grades blurring and Customers' increasingly specialized end-uses

Mobilizations. By the late 1990s, the slightly differentiated products that various producers had introduced to the markets between and beside standard grades made choosing the products increasingly difficult for customers. Each product of a corporation had close substitutes both in the product range of competitors and often also in the increasingly wide product range of the corporation itself. On the other hand, customers had increasingly specialised and sophisticated end-uses. For instance, magazine publishers were increasingly publishing special interest magazines, for which they wanted to have a special image supported by a special paper, and consumer goods companies increasingly wanted the packaging and the paperboard used to reflect the special image of the products.[551]

Interests in differentiating by offering customers help in specifying needs and finding optimal paper and board products since the late 1990s. Recognizing the complexity of the variety of products and end uses, the CEOs, line managers (of mills and divisions [see 7.1.2]), and marketing managers (of mills and divisions [see 7.1.4]) became increasingly interested in differentiating by offering customers help in finding optimal paper and paperboard to their business needs and problems in the late 1990s. Furthermore, they were interested in differentiating by actually offering customers help in specifying their business needs and problems more in detail, on the basis of the preferences and needs of the customers' customers. Differentiating this way would be a way of differentiating beyond developing and introducing differentiated products. Being aware of the corporation's expertise in the products and printing technologies, as well as of its experience of working with other similar customers, customers would potentially find this offering attractive. And the help could be offered not only to large customers, but also to smaller customers, to whom the offer of e.g. the possibility of joint R&D and tailored products would not be so feasible due to their small purchase volumes. Namely, even the sales people visiting the customers could use their and the corporation's

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[551] Interviews (e.g. with Parkkinen 9.3.2005; Frejborg 25.2.2005; Kettunen 10.3.2005);
       Käyhty 1997.

expertise in and understanding of the products and the customers' business and even the customers' customers.[552]

Mobilizations. The interests in differentiating by offering customers help in specifying their business needs and problems more in detail and in finding optimal paper and paperboard to satisfy and solve their business needs and problems were fairly strong, as the corporations, in the late 1990s, sought more expertise and understanding of the customers' business and its logic by recruiting experts or former employees of e.g. the publishing and advertising business, or the cosmetics and food (packaging) business. The interests were also strong, as customer service and sales personnel – not only product development engineers – were increasingly trained in issues related to magazine or newspaper making and consumer goods industries. Backselling was also increasingly done in the late 1990s, in case of products sold via merchants: more expertise and understanding of the end users could be gained when there were direct contacts with end-customers. Moreover, the interests were strong, as personal selling work done by the corporations' employees took advantage of the results of studies conducted by the corporation itself, like those related to the experiences and perceptions that readers of publications had about the role of paper. And the interests were strong, as customers were allowed to make test print runs in the development centers of the corporation: the customers could see how certain products served their needs and could be applied to their printing technology[553].

    Having customer service and salespeople offer customers help in specifying their needs more in detail and finding optimal products to serve them was feasible only with respect to direct customers, such as publishers, large printing houses, and consumer goods companies. Nevertheless, at the end of 1990s, advancing information and www technology enabled the offering of some help also to smaller customers who could not be visited by salespeople. Namely, the corporate websites could be made to include product selectors where products of the corporation could be browsed or products searched for certain end-uses and needs[554].

Interests in differentiating by offering customers help in specifying needs concerning business processes and outsourcing services since the late 1990s.

In the late 1990s, the CEOs, line managers, and marketing managers became more interested in offering customers help in specifying their business needs and problems not only with respect to paper and board products, but with respect to the whole process whereby they used the products. They became more interested also in offering outsourcing services to satisfy and solve the needs and problems. The corporations would assume greater responsibility for and a greater role in the process than merely delivering the paper or board products to certain locations for the customer to process. This would be a further translation of differentiating from competition by offering customers help in specifying their business needs and problems more in detail and in satisfying and solving their business needs and problems. Offering customers these kinds of outsourcing services would be a further way of providing value to customers and would be feasible especially with regard to larger customers such as consumer goods manufacturers and publishers.[555]

Mobilizations. The interests in offering customers help in specifying their business needs and problems with respect to the whole process whereby they used the paper and board products and offering outsourcing services to satisfy and solve the needs and problems were strong, as the corporations increasingly offered to some large customers, such as publishers, large printing

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[552] Interviews (e.g. with Mynttinen 19.10.2005; Toiviainen 26.1.2005).

[553] Laurila and Lilja 2003;
        Interviews (e.g. with Taukojärvi 30.9.2005).

[554] Interviews (e.g. with Halonen 9.3.2005);
        Anon. (b) (2002), "Product navigator", *Embrace,* Autumn, p. 15.

[555] Interviews (e.g. with Mynttinen 19.10.2005; Metsävirta 8.8.2005; Parkkinen 9.3.2005).

houses and package printers, liquid packaging carton manufacturers, and large merchant chains, the keeping of vendor-managed inventories. The customer would thus not have to be concerned about making orders at all. The supplier could even own the products in the customer's stock.[556]

When it comes to large, multi-national consumer goods manufacturers, who were increasingly willing to choose and buy the paperboard used in their packaging anyway, the interests were strong, as the corporations, for example Metsä-Serla, developed services in which the corporation would assume a greater role than the traditional role of being simply the producer of the paperboard used in the packaging of the customer's products. Rather than delivering the paperboard to packaging printers or manufacturers in certain locations, who would process the paperboard into cartons and deliver them to the consumer good manufacturers' plants, the P&P corporation could take as its responsibility the delivering of the finished packaging cartons to the consumer goods producer's site. This meant the corporation would have to acquire or build some carton plants of its own. But even further, the corporation could assume a wide responsibility for the whole packaging procurement, including e.g. packaging logistics management and quality control, of the customer to his subsidiaries around the world, specializing in this area. This would satisfy the customer's business need and solve the business problem related to maximizing the cost-efficiency of procuring the needed packaging while at the same time ensuring that the packaging for a certain branded good would be of the same high quality regardless of the packaging site. By outsourcing the packaging procurement to a specialized provider, the customer could also focus on its own core business.[557]

Actually, providing this kind of outsourcing service solution to consumer goods manufacturers did not even necessarily require the corporation to acquire packaging printers/manufacturers around the world. For instance, in the late 1990s Metsä-Serla planned to orchestrate a global network of independent carton plants, which would not be owned by the corporation but could be e.g. small family firms. To consumer goods companies, it would be Metsä-Serla and this network that would act as a provider of packaging cartons to their production plants located around the world. In practice, a few service centers operated by Metsä-Serla in different continents would ensure the supply of packages. They would order the printed package cartons from the independent carton plants – whose paperboard needs Metsä-Serla's paperboard mills in Finland would largely serve – and take the responsibility for the deliveries to customers' subsidiaries in the region. The service centers would also activate new carton manufacturers with optimal locations and machinery when needed, e.g. if no carton manufacturer yet belonged to the network in a country where a customer wished to operate. Moreover, the service centers could assume the responsibility for the pre-press work with respect to carton printing. Even the possibility of outsourcing the design of the packaging, both in terms of structure and country-specific graphic design, was to be offered.[558]

When it comes to publishers, the interests in offering customers help in specifying their business needs and problems with respect to the whole process whereby they used the paper and board products and offering outsourcing services to satisfy and solve the needs and problems were strong, as similar outsourcing services were planned since the late 1990s. A publisher could be given the possibility of defining a print run and other technical characteristics of an individual publication. The corporation could then collect the needed amounts of required paper and take care of their availability in the stock of the printing house of the publisher on its

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[556] Laurila and Lilja 2003; Manninen 2003.

[557] Interviews (e.g. with Toiviainen 26.1.2005);
Kempas, Jouni (2000), "Integrated Brand Packaging. Meeting global demand", *Insight,* Spring, pp. 28–29.
Lijia, Zhang (2002), "Packaging in China", *Embrace,* Spring, pp. 21–23.
Manninen 2003.

[558] Interviews (e.g. with Toiviainen 26.1.2005).

behalf[559]. Furthermore, it could be possible that the publisher also outsourced the printing work to the P&P corporation, which would cooperate with printing houses to deliver the readily-printed publication to the publisher – the publisher would concentrate mainly on producing the content.[560]

[management interest (in corporate branding) mI#10]

Having employees adopt a way of working with initiative and a proactive customer-helping attitude

Interests in having employees adopt a way of working with initiative and a proactive customer-helping attitude since the late 1990s. In the late 1990s, the CEOs, line managers (of mills and divisions [see 7.1.2]), sales managers, and marketing managers (of mills and divisions [see 7.1.4]) became more interested in having employees adopt a way of working with initiative and a proactive customer-helping attitude. The employees of the corporation, particularly the customer service staff and salespeople, should have a certain way of thinking or acting towards customers. They should be eager to take initiative and persist in finding out about and specifying the customers' real paper and board -related needs together with them and in choosing the optimal products among the corporation's product portfolio. They should direct the customers' attention to the fact that the current paper and board products they used might not be optimal for their business, recommend that the customers study and specify their paper and board -related needs in more detail on the basis of their own customers' preferences and needs, offer assistance in this studying and specifying, and offer products catering to the specified needs. They should encourage customers to contact the corporation whenever the customers would have a certain paper or board -related need or problem or would like to find a more optimal paper or board product for a certain end-use. And they should keep customers informed about new possibilities to find more optimal products for their needs.[561]

Furthermore, the salespeople should not only concentrate on eliciting customers' needs and problems with respect to paper and board products, but to some extent also with respect to the whole process whereby the customers used the paper and board products. By so doing, the salespeople should simultaneously sense and inquire whether the customer would be willing to shift to outsource some parts of the whole process, instead of taking care of the process itself.[562]

This approach of having employees adopt a way of working with initiative and a proactive customer-helping attitude would be a translation of differentiating from competition by offering customers help in specifying their business needs and problems with respect to paper and board products and processes in more detail and in finding optimal products and outsourcing services to satisfy their needs and solve their problems. If the employees, particularly customer service staff and salespeople, did not have a way of working with this kind of attitude, the help could not be delivered.

> **Enso/ Stora Enso line manager (executive),** *retrospectively*:
> We considered it more important, particularly since, maybe the late 1990s, to not just try to sell products to customers according to what they specify or products that they are used to buying – and could buy from many suppliers. But also to do persistent work with potential

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[559]   Lilja and Laurila 2003

[560]   Interviews (e.g. with Mynttinen 19.10.2005).

[561]   Interviews (e.g. with Toiviainen 26.1.2005; Mynttinen 19.10.2005; Taukojärvi 30.9.2005).

[562]   Ibid.

customers, telling them about what is happening, what kind of possibilities there are, how their business and needs could be better served with some of our products or services, etc. Then when they would consider changing suppliers or want to try something new, they would possibly think that "that company and those salesmen have kept contact and made interesting suggestions… now we could try if something could come of it". But of course, that also calls for a certain attitude and extra effort from the people.

Metsä-Serla/M-Real marketing manager, *retrospectively:*
Little by little the interest in not being just a seller of paper to customers but rather helping them with their paper-related problems got stronger. The customers would present their often vague problems and we would help them in defining the problem better and solving them with our products.
What the salespeople say to customers and how they interact with them would be even more important than before. It's a question of whether the salesperson goes to customers and talks about products, delivery terms and prices only, or whether he tries to find out what the customer really needs, makes the customer think about that as well, and perhaps together with the customer starts to work out what products would serve their needs best. Or even service solutions…

Mobilizations. The management interests in having employees adopt a way of working with initiative and a proactive customer-helping attitude were strong, as e.g. more training was arranged for the salespeople[563]. The interests were somewhat strong also, as (total) quality management systems and improvement programs, including self-assessment and customer feedback procedures were developed in the 1990s, particularly in Enso and later Stora Enso[564]. And the interests were fairly strong, as internal magazines could in the late 1990s and early 2000s present example cases where employees of the corporation had helped customers in specifying their needs and problems more in detail and finding optimal products, or buying outsourcing services, to serve and solve them.

[management interest (in corporate branding) mI#11]

Emphasizing to customers the corporation's offering of solution help rather than that of products

Interests in emphasizing to customers the corporation' offering of solution help rather than that of products since the end of the 1990s. At the end of the 1990s, the CEOs, line managers (of divisions [see 7.1.2]), and marketing managers (of divisions [see 7.1.4]) became more interested in emphasizing to customers the service of the corporation in the form of help in specifying customers' business needs and problems in more detail and in finding optimal products and outsourcing services to satisfy the needs and solve the problems. This would be a translation of differentiating by offering help in specifying business needs and problems in more detail and in choosing the optimal products. Potential customers would have to know and understand that the corporation offered this help and solution service to them, rather than just offering technical products.[565]

Mobilizations. The interests in emphasizing to customers the corporation's offering of help in specifying their business needs and problems in more detail and in finding optimal products and services to satisfy their needs and solve their problems were strong, as promotional materials, such as brochures and advertisements, were used to stress this help and solution

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563   Interviews (e.g. with Toiviainen 26.1.2005).
564   Anon. (a) (1999), "Asiakasta kuunnellaan Stora Ensossa", *Stora Enso Global,* Toukokuu 1999.
       Marsio, Riitta (2000), "1st Choice – asiakastyytyväisyyden yhtenäinen mittausmenetelmä", *Stora Enso Global,* Helmikuu, pp. 30–31.
565   Interviews (e.g. with Toiviainen 26.1.2005; Mynttinen 19.10.2005; Vainio 22.3.2005; Taukojärvi 30.9.2005).

service to them. The interests were also strong, as the possibility of outsourcing certain parts of the customer's business process, such as stock-keeping or packaging procurement, were increasingly pointed out. Moreover, initiatives to better understand the customer's business and the preferences and needs of the customer's customers were increasingly presented: they signaled to the customer that the corporation really had expertise in those preferences and needs. For instance, studies into magazine readers' perceptions were presented. On the other hand, the possibility of making test print runs in the development centers of the corporation was mentioned. Also, the interests were strong, as corporate advertisements, as well as promotional materials such as customer magazines, were used to increasingly emphasize the same things. Finally, the interests were strong, as successful cases where a customer's business needs and problems had been specified and optimal products to those needs and problems found in cooperation with the customer, as well as outsourcing cases, were increasingly presented in customer magazines and other promotional materials.[566]

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[566]   Interviews (e.g. with Toiviainen 26.1.2005; Metsävirta 8.8.2005; Vainio 22.3.2005; Starck 14.10.2005).

6.4   International expansion

6.4.1 Local suppliers having an advantage in high demand growth market areas in China, Southeast Asia, Eastern Europe and the CIS

Mobilizations. Consultant studies, made e.g. by the leading P&P industry consultant, Finnish Jaakko Pöyry Corp., emphasized particularly since the early 1990s that in the following decade, paper consumption and demand would be growing most in China, other areas in Asia, Eastern Europe and the Community of Independent States (CIS), including Russia, and Latin America. This would be mainly due to high forecasted growth rates of Gross Domestic Product (GDP) in these areas. The growth rate of paper consumption and demand would generally follow the GDP growth rate closely, or match it with a factor of about 1–1.5. For Asia, China, Eastern Europe and the CIS, the studies forecasted paper demand growth rates at 4-5 per cent per year, whereas for North America, Japan and Western Europe, growth rates of less than 2.5 per cent were forecasted.[567]

Interests in obtaining production capacity inside high demand growth markets since the 1990s. In the 1990s, the CEOs, line managers (of mills and, later [see 7.1.2], divisions), (strategic) development managers, and marketing managers (of mills and, later [see 7.1.4], divisions) of the Finnish P&P corporations became more interested in obtaining new paper and board production capacity to serve the rapidly growing markets. This was due to recognition of the opportunity for business growth and serving market areas where demand was growing the fastest, such as China and other parts of Asia[568], as well as Eastern Europe and the CIS[569].

Specifically, the managers became further interested in obtaining new paper and board production capacity particularly *inside* the areas of high demand growth, rather than e.g. in Finland. This would be a translation of minimizing delivery times to customers (see also section 6.3.6). Serving customers from mills located within the areas close to the customers would shorten transportation times by days or weeks relative to serving them from mills in Finland[570]. It would also be a translation of minimizing transportation costs[571]. Already in intra-European transportation, Finland's location relative to the majority of the customers was a disadvantage: transportation costs could be 4–5 per cent of the turnover for Finnish P&P corporations, compared to only 1–2 percent for the Central European ones[572]. Even compared to Sweden, there was a difference: transportation costs to e.g. Central Europe from Finland could be 1–2 percent higher than from Sweden[573]. With respect to customers in e.g. China or Asia, the difference in delivery times and transportation costs between a mill located in those markets and a mill located in Finland would be even more significant. Furthermore, obtaining new paper and board production capacity particularly within the areas of high demand growth would be a

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[567] Diesen 1998, pp. 66–68.

[568] Interviews (e.g. with Granholm 23.3.2005; Taukojärvi 30.9.2005).
Bayliss, Martin (1997), "Kaakkois-Aasian markkinat vetävät", *UPM-Kymmene Watch*, 3, pp. 4–8.
Rouhiainen, Juha (2003), "M-Real lisää läsnäoloaan Kiinassa", *M-Real Insight*, 4, pp 9–12.
Zhengzheng, Gong (2001), "Kiinan paperiteollisuus kasvaa voimakkaasti", *UPM-Kymmene Watch,* 2, pp. 8–10.
Lijia 2002.

[569] Interviews (e.g. with Granholm 23.3.2005; Taukojärvi 30.9.2005);
Vanhatalo, Sirkku (1997), "Simpele joins the Metsä-Serla family", *Metsä-Serla News,* 2, pp. 24–26.
Niskanen, Markku (1999), *Metsä-Serla News,* 4.
Niemelä, Juha (1998), "Kasvua Aasiasta", *UPM-Kymmene Watch,* 2, p. 35.

[570] Poesche 1995, p. 13.

[571] Poesche 1995, p. 4.

[572] Paavilainen 1995, p. 95.

[573] Nars, Fredrik (1996), "Skogsindustrin i Finland: Tre jättar på två vägar", *Forum för Ekonomi och Teknik*, 2, pp. 22–25.

translation of increasing customer trust. Customers would generally have more trust in producers that produced the products locally, close to the customers. It would also be a translation of having a larger company size and a better ability to continuously supply increasingly large volumes of paper and board to increasingly large and global customers' subsidiaries, as well as differentiating by the ability to supply large volumes (see also section 6.3.3).

Moreover, obtaining new paper and board production capacity within the areas of high demand growth would a translation of avoiding potential barriers to trade across countries and regions, such as customs fees, import quotas, and punishing customs tariffs[574]. For instance, China would impose high protectionist tariffs on imported paper and board products, also on those imported from Finland – despite the fact that it was applying for membership in the World Trade Organization (WTO) which would eventually reduce these tariffs[575]. Also, it would be a translation of avoiding problems stemming from currency fluctuations across countries and regions. Customers would usually be invoiced in their currency or in dollars. If the production was located in a certain country or region and, hence, most costs incurred in the currency of that country or region, but the production was exported to customers in other countries or regions paying in a different currency, fluctuations in currency exchange rates could affect the competitiveness and profitability of the P&P corporation[576]. If production was located in the same currency area as the customers, this problem could be avoided. Actually, obtaining new paper and board production capacity outside Finland would also be a translation of decreasing vulnerability to general business cycles which were often, to some extent, regional or country-specific in nature. Having production – and of course sales – within the markets and not only e.g. in Finland and Europe could compensate the bad business cycle situation in one country or region with the better situation in another[577].

Interests in realizing mergers & acquisitions and joint ventures in high demand growth markets since the 1990s. Further, the CEOs, line managers, development managers, and marketing managers, as well as financial managers became, in the late 1990s, interested in building new production capacity inside the market areas of high demand growth. This would be a translation of obtaining new production capacity within those areas. The risk of creating overcapacity was not very large (see also section 6.1.9), as the rapidly-growing markets, particularly those which were already fairly large in size, such as China and other parts of Asia, would absorb new production and do it without serious price disturbances[578].

Nevertheless, in the late 1990s, the managers also became more interested in realizing mergers, acquisitions, and joint ventures within market areas of high growth. Realizing mergers and acquisitions – rather than building new capacity – would be a translation of obtaining new paper and board production capacity to serve the rapidly-growing markets without any risk of overcapacity (see also section 6.1.9). It would also be a translation of gaining market share quickly in the markets, as the marketing networks and customers of the target company could be seized[579]. Actually, production from elsewhere, not only the target area, could be sold via these networks. Also, realizing mergers and acquisitions would be a translation of entering the new markets easily, as many potential problems with governmental bureaucracy could be avoided and local knowledge and experience could be benefited from. On the other hand, potential target

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[574] Paavilainen,1995, p. 58; Siitonen 2003, p. 116.

[575] Laitinen, Pentti (2000a), "Ruotsalaislehti: Stora Enso ostaa metsäjätin Aasiasta", *Helsingin Sanomat,* 2.12.2000.
Hirvikorpi, Hanna (2001), "Pohjois-Kiinassa otetaan mallia Suomen metsäteollisuudesta", *Helsingin Sanomat,* 21.7.2001.
Lijia 2002; Zhengzheng 2001.

[576] Pennanen, Risto (1993), "Suuret koneet, raskaat velat", *Fakta,* 3, 20, p. 22.
Paavilainen 1995, p. 58; Siitonen 2003, p. 51; Diesen 1998, 72.

[577] Paavilainen, p. 97.

[578] Diesen 1998, p. 73.

[579] Diesen 1998, p. 97; Puranen 2000, p. 88;
Niiranen, Simo (1999), *Increasing market share through acquisitions vs. greenfield operations: the Finnish pulp and paper industry, LWC and coated fine paper segments.* Pro Gradu Master's Thesis, Department of Marketing, Helsinki School of Economics, Helsinki, Finland.

firms of mergers and acquisitions, particularly acquisitions, would often not have the financial resources to afford investments in the increasingly large machines needed to gain economies of scale. They could even be in rather acute financial crises due to large investments and temporary price declines and downturns[580].

Realizing joint ventures with local companies would also be similar translations, due to the cooperation with the partners. Moreover, joint ventures could also be translations of entering the markets in the first place. In many of the countries of high demand growth, e.g. in Southeast Asia, acquiring land or forests or building mills would usually be very difficult for a foreign firm unless it had a local partner due to the heavy domination by the government and certain families[581].

6.4.2 Local suppliers having an advantage in high demand market areas in Central and Western Europe and North America

Mobilizations. In the early 1990s, the consultant studies emphasized also that paper consumption and demand were the largest, in absolute terms, in North America and Western Europe. For instance, in 1993, about 35 per cent of world paper and board demand would be in North America and 25 per cent in Western Europe. Even with smaller relative growth rates than in e.g. Asia, Eastern Europe, and South America, the growth, in absolute terms, would be significant in North America and Europe.[582]

Interests in obtaining production capacity inside the largest markets since the 1990s. In the 1990s, the CEOs, line managers (of mills and, later [see 7.1.2], divisions), development managers, and marketing managers (of mills and, later [see 7.1.4], divisions) of the Finnish P&P corporations became more interested in obtaining new paper and board production capacity to serve the world's largest markets. This was due to recognition of the opportunity for business growth and serving market areas where demand was the world's largest, such as North America and Western Europe.

Nevertheless, somewhat like above, the managers were further more interested in building new paper and board production capacity particularly inside the particular areas, rather than in Finland. This would be, again, a translation of minimizing delivery times and transportation costs, of increasing customers' trust, of having a larger company size and the ability to continuously supply increasingly large amounts of paper and board to increasingly large and global companies' different subsidiaries, as well as of differentiating by the ability to supply large volumes. Moreover, it would be a translation of avoiding problems stemming from currency fluctuations across countries and regions and of reducing vulnerability to business cycles.[583]

Interests in realizing mergers & acquisitions, and joint ventures inside the largest markets since the 1990s. Further, in the 1990s, the CEOs, line managers (of mills and, later [see 7.1.2], divisions), (strategic) development managers, and marketing managers (of mills and, later [see 7.1.4], divisions), as well as financial managers, became more interested in building new paper and board production capacity to serve the world's largest markets.[584]

However, in the late 1990s the managers were particularly interested in realizing mergers and acquisitions in market areas of large demand. Realizing mergers and acquisitions – rather

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[580] Diesen 1998, p. 95.

[581] Uskali, Tero (1996a), "Kaukoitä pelottaa metsäyhtiöitä", *Helsingin Sanomat,* 24.9.1996.
        Baer, Katarina (2000), "Stora Enso tähyää tehtaita Brasiliassa", *Helsingin Sanomat,* 8.11.2000.

[582] Diesen 1998, pp. 66–68.

[583] Interviews (e.g. with Granholm 23.8.2005; Metsävirta 8.8.2005);
        Holopainen, Jukka (1999), "Biberist back in the black", *Insight,* Spring, pp. 16–19.
        Käyhty 1997; Heinonen 1999b.

[584] Diesen 1998, p. 73.

than building new capacity – would be a translation of obtaining new paper and board production capacity to serve the large markets while avoiding the rather high risk of creating overcapacity. It would also represent similar translations as those mentioned above, in the case of mergers and acquisitions in relation to obtaining production capacity in areas of high demand growth. In addition, particularly in relation to the North American markets, realizing mergers and acquisitions would be a translation of increasing the share price of the corporation (see p. 126). Namely, the corporation obtaining, at once, a large number of local customers and production units would improve its visibility and make it a more attractive investment target to North American investors, increasing the demand for its shares. Also, having a large number of local customers and production units would make the listing of the corporation on the local stock exchange, NYSE, more credible. The listing would further increase the demand for the corporation's shares. For instance, this interest was somewhat strong, as Stora Enso acquired Consolidated Papers in 2000[585].

6.4.3 Cheap recycled fibre available as raw material in Central and Western Europe and North America

Mobilizations. In the 1980s, recycled wastepaper, an alternative fibre source to virgin wood, was increasingly used by producers of paper and board in Central and Western Europe. The wastepaper that was collected by collection systems was less expensive as a fibre source than virgin wood. With new technology in the areas of deinking, screening of impurities, fractionation, bleaching, and paper forming, the producers could use recycled fibre particularly in the production of newsprint, liner and fluting, paperboards, and tissue[586]. On the other hand, in Finland, where most forests were owned by private forest owners and not the corporations, the forest-owners were demanding higher prices for their wood – partly because their dependence on forest income and their desire to sell wood was becoming considerably smaller due to their shifting increasingly from being farmers to being part of the urban population[587]. Wood purchase costs in Finland were rising 4–10 percent per year in 1987–1990 and wood costs could account for up to 15–50 per cent of the manufacturing costs of paper and board products, the share being highest in low value added products such as newsprint[588]. So, to the extent that the producers in Central and Western Europe could produce e.g. newspaper of reasonable quality using the cheaper but lower-quality recycled fibre with lower costs than the Finnish P&P corporations using Finnish virgin wood fibre, they would have a relative competitive advantage[589].

There were also emerging needs in Central and Western Europe to reduce the volume of solid waste for land, emerging pressure from authorities and environmentalists to collect waste paper and reuse it in products, and emerging demands for and acceptance by consumers and customers of recycled products[590] (see section 6.5.2). Collection systems for waste paper were being developed, further increasing the availability of recycled paper and fibre, lowering its price, and increasing its use. To the extent that customers and authorities were demanding products made of recycled fibre, the producers in Central and Western Europe would have a further competitive advantage relative to Finnish P&P corporations.

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[585] Interviews (e.g. with Harsu 13.10.2005).

[586] Diesen 1998, pp. 48, 57.

[587] Hernesniemi, Lammi, and Ylä-anttila 1995.

[588] Diesen 1998, p. 30.

[589] Siitonen 2003, p. 160.

[590] Diesen 1998, p. 48.

Also in Finland, the wastepaper collection was continuously growing in the 1980s[591]. It was used mainly in some board and tissue production[592]. However, in 1986, Finland was also exporting 70,000 tons of waste paper and paper collectors were worried about the annual oversupply of 60,000 to 80,000 tons.[593] At that time, the environmental activists in Finland also began to demand further recycling and ask why paper from recycled fibre was not produced and available in Finland. The authorities, in turn, established a committee to find a solution for the growing problem of waste paper storage, headed by the Minister of the Environment.[594] In June 1987, paper collectors announced that they would not continue with collection as long as there was no demand for the material they collected[595]. This immediately intensified the discussion on building a new deinking plant in Finland even though virgin fibre as raw material had been perceived almost as a matter of national pride. Pressured by the general public and environmental activists to find use for collected waste paper, the authorities would heavily subsidize the investment in deinking plant.[596]

Interests in building production units to use wastepaper in Finland in the late 1980s. Recognizing the above problems of the competitive disadvantage of not using recycled fibre, as well as the increasing demands of the Finnish general public, authorities, paper collectors, and environmental activists; the CEOs, line managers (of mills and, later [see 7.1.2], divisions), development managers, and procurement managers of particularly UPM were, in 1987, interested in building a production unit using wastepaper in Finland.

Mobilizations. The interests in building a production unit using wastepaper in Finland were strong, as UPM built a deinking plant at its Kaipola mill at the end of the 1980s. The plant started up at the beginning of 1990 and ensured that practically all Finnish wastepaper could be used in Finland[597].

On the other hand, to the extent that there would be anticipated demand for paper and board products that would justify addition of capacity, available Finnish forest resources to supply for the additional capacity started to be scarce in the late 1980s, also with respect to e.g. spruce used in the production of newspaper, particularly as the forest-owners were decreasingly willing to sell. Further, the growing economic and political instability of Russia since the end of 1980s, from where wood was already imported to a fairly large extent, made importing more wood across the Eastern border an insecure activity[598]. And as the new pulp and paper machines would be built increasingly large to gain economies of scale, the high volume of wood needed for the raw material would have to come from larger areas, since the wood usage rates everywhere started to be quite high already. This would increase wood transportation costs and wood costs at mills.[599]

Interests in building capacity using local waste paper as raw material in e.g. Central and Western Europe in the late 1980s. Recognizing the above problems with the competitive disadvantage of not using recycled fibre and with the scarcity of wood resources in Finland, with the problems related to the import of wood from Russia, and with larger wood gathering areas; the CEOs, line managers, development managers, and procurement managers

[591] Linnanen, Lassi (1995a), *Environmental issue management: An analysis of three cases in the pulp and paper industry*. Licenciate's Thesis, University of Jyväskylä, Jyväskylä, Finland.

[592] Ibid.

[593] Helsingin Sanomat, 17.3.1986.

[594] Linnanen 1995a.

[595] Helsingin Sanomat, 19.6.1987.

[596] Linnanen 1995a.

[597] Laitinen, Pentti (1991a), "Jäte tunkee paperin ytimeksi. Kansainväliset kierrätyslait pakottavat lisäämään keräyspaperiin tuontia", *Helsingin Sanomat*, 23.4.1991.

[598] Paavilainen 1995; Diesen 1998, p. 37.

[599] Diesen 1998, p. 37.

became, at the end of 1980s, more interested in having wastepaper recycled fibre available, particularly when it came to building new production capacity[600].

Further, the managers became more interested in building capacity using local waste paper as raw material in e.g. Central and Western Europe[601]. This would be a translation of having recycled paper available. Unlike in Central and Western Europe where the dense population would consume lots of paper and hence produce lots of wastepaper, in Finland, the small population would not produce enough wastepaper for large-scale usage in paper and boardmaking. Building capacity using local waste paper as raw material in e.g. Central and Western Europe would also be a translation of minimizing transportation costs, as the wastepaper would not have to be transported long distances away from where it was mostly produced, to e.g. Finland[602].

Mobilizations. The management interests in building capacity using local waste paper as raw material in e.g. Central and Western Europe were strong, for instance, as UPM built and started up a newspaper machine utilizing wastepaper at the Shotton mill, UK, in 1989.

Then, in the early 1990s, environmental activists and organizations started to strongly demand that more forest areas in Finland be protected (see section 6.5.3). This would further decrease wood availability for industrial use[603]. And the Finnish government was, in the early 1990s, planning to change the taxation of forest income, which would have an important influence on forest-owners' willingness and desire to sell[604]. The forest-owners would have the option of choosing taxation based on actual income from wood sales rather than being taxed on the basis of forest growth or surface area as previously. This would further decrease the willingness of the Finnish forest-owners to sell wood[605].

Interests in building capacity using local waste paper as raw material in e.g. Central and Western Europe since the early 1990s. Recognizing the above problems with environmental activists and forest taxation, the CEOs, line managers, development managers, and procurement managers became even more interested in building capacity using local waste paper as raw material specifically in e.g. Central and Western Europe.

Mobilizations. The ever-strengthening management interests in building capacity using local waste paper as raw material specifically in e.g. Central and Western Europe were strong, for instance, as Enso built a newspaper machine utilizing wastepaper, or recycled fibre as raw material in Sachsen, East Germany and started it up in 1994. The interests were strong, as UPM-Kymmene started up another machine utilizing recycled fibre in Shotton in 1998 and as it, in 1999, started new production of newspaper of 100 per cent recycled fibre at the Chapelle paper mill, Grand Couronne, France.

Then, in 1994, demand for many forest products turned particularly high after the years of low demand and recession in 1990–1992. Problems with wood availability and wood prices were highlighted in Finland: e.g. wood purchase costs rose by 10 and 7 percent in 1994 and 1995, respectively[606].

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[600] Hakkarainen 1993, p. 113.

[601] Laitinen 1991a; Siitonen 2003, p. 10; Ojala and Lamberg 2006.

[602] Raeste, Juha-Pekka (1992), "Paperimiesten ahdingon aika", *Helsingin Sanomat*, 3.5.1992.
Ruonala, J. (1995), "Kymmene aikoo pärjätä omillaan" *Kauppalehti Optio,* 12;
Virta 1994; Paavilainen 1995; Poesche 1995, p. 44.

[603] Lehtinen, Jarmo (1995), "Metsä-Serla pärjää omin puin", *Talouselämä,* 31, pp. 34–36.
Diesen 1998, p. 25.

[604] Hallituksen esitys Eduskunnalle tuloverolaiksi sekä laiksi eräiden yleishyödyllisten yhteisöjen veronhuojennuksista annetun lain 1 ja 6 §:n muuttamisesta (Government proposal to the Parliament concerning legislation about income tax and concerning changes to legislation about tax concessions to certain non-profit communities), HE 200/1992. Parliamentary Documents 1992.
Diesen 1998, p. 37.

[605] Diesen 1998, p. 37.

[606] Diesen 1998, pp. 25, 36.

Interests in not adding production capacity in Finland any more since the mid 1990s. Recognizing the problems with wood availability and wood prices mentioned above, the CEOs, line managers, development managers, and procurement managers became, in the mid 1990s, increasingly interested in *not* adding production capacity in Finland any more[607].

> **Enso CEO, Jukka Härmälä, *in 1994*[608]:**
> The threat comes from the price and amount of wood… The availability of wood is the biggest problem of the coming years. If we cannot fix this, we most certainly cannot even think about additional investments using wood.

> **Enso CEO, Jukka Härmälä, *in 1995*[609]:**
> If you look at Finland, the wood resources will not in this decade give room for bringing in a sizable machine utilizing new raw material.

Interests in realizing mergers & acquisitions by which production capacity using local wastepaper as raw material could be obtained since the mid 1990s. Finally, particularly in the late 1990s, the CEOs, line managers, development managers, and procurement managers, as well as financial managers, of Finnish P&P corporations were more interested in realizing such mergers and acquisitions by which production capacity using local waste paper as raw material in e.g. Central and Western Europe could be obtained.

Mobilizations. The management interests in realizing such mergers and acquisitions by which production capacity using local wastepaper as raw material could be obtained were somewhat strong, for instance, as UPM-Kymmene, in 2001, acquired Haindl and obtained machines utilizing recycled paper at the Schongau and Schwendt mills in Germany (see section 6.4.6)[610]. The interests were somewhat strong also, as Enso acquired Holtzmann in 1997 (see also p. 188) and obtained a newspaper machine utilizing recycled fibre[611].

6.4.4 Cheap short-fibre wood available as raw material in Southeast Asia and South America and the Pulp-paper-mill integration advantage

Mobilizations. Many of the above problems in the 1980s and 1990s related to building capacity in Finland with regard to production using mechanical pulp made of long-fibre wood or recycled fibre would relate also to building capacity with regard to production using chemical pulp. These included e.g. the high wood costs in Finland, the high wood usage rate everywhere, larger machines needing high volumes of raw material, the increasing protection of forests, the decreasing willingness of forest-owners to sell, and the economic and political instability of Russia. Nevertheless, there were also other, more particular problems.

When it came to rising prices of wood, the cost of producing chemical pulp would depend on the wood costs. To the extent that the costs of chemical pulp production of the Finnish P&P corporations were higher due to the higher wood costs than those of their competitors, the competitiveness of the Finnish corporations directly suffered when it came to the pulp they sold in the market. But since the proportion of pulp sold in the market vis-à-vis entire production was low, the potentially greater problem was elsewhere. Especially, the costs of producing paper and board products from chemical pulp greatly depended on the costs of producing chemical pulp. This especially concerned products with high chemical pulp content, such as fine papers and

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[607] Virta 1994.

[608] Hyvönen 1994.

[609] Seppänen 1995.

[610] Paloheimo, Sini (2001), "Haindl vahvistaa asemia", *UPM-Kymmene Watch,* 3, pp. 5–7.
UPM-Kymmene, Press Release, 29.5.2001, 21.11.2001, 30.11.2001.

[611] Illi 1997.

various kinds of boards. Producers with access to lower-cost pulp were more competitive than the Finnish ones, when it came to these products. Moreover, to the extent that pulp produced at lower cost was sold at a low price in the market, such paper and board producers elsewhere in the world that were relying on market pulp could produce their paper and board at lower cost than the Finnish P&P corporations. The competitiveness of the Finnish corporations would not be as good, since producers buying pulp in the market would get it at a low cost relative to the cost at which the Finnish P&P corporations were able to produce it in their own mills, since pulp would be the major cost component in paper and boardmaking, and since the market price of (fine) paper and board products would follow the chemical pulp market prices, forcing the Finnish P&P corporations to sell at low prices despite their higher fibre and pulp cost.

By the 1990s, in Finland, the wood prices close to the chemical pulp mills of Finnish P&P corporations were higher relative to wood price in most other countries or areas where pulp production was practiced[612]. And especially concerning short-fibre wood, its price was particularly low e.g. in South America and Southeast Asia, and increasing numbers of producers were planning and building chemical pulp mills there to take advantage of the cheap fibre[613]. Moreover, not only would the wood be cheaper but its growth speed would also be multiple relative to Nordic or European forests. In Europe, it took decades for wood in a forest to grow to an appropriate height for cutting, whereas the eucalyptus and acacia woods in South America and Southeast Asia could grow in to such height in 5–10 years.[614]

> **UPM-Kymmene CEO, Juha Niemelä, *in 1996*[615]:**
> Southeast Asia still has huge untapped raw material resources. There are also sizeable investment plans there. None of the large companies can be indifferent with respect to Southeast Asia.

In addition to the fact that short-fibre hardwood or leafwood forests were generally quite scarce in Finland and that, by the 1990s, the wood prices were increasingly high in Finland relative to many other localities, it turned out by the 1990s that the main available leafwood in the Finnish and the nearby Russian forests, i.e. birch, would not be optimal for the highest-quality fine papers, which were also increasingly consumed and produced. This would be a problem to the extent that production of high-quality coated fine papers would be increased (see also section 6.2.4).

Interests in building new pulp-making capacity in locations where cheap short fibre was available and where fibre like eucalyptus was available since the early 1990s. Recognizing the problems with rising wood prices in Finland and with the non-optimal nature of birch as a fibre source for some products, the CEOs, line managers (of mills and, later [see 7.1.2], divisions), (strategic) development managers, and procurement managers were more interested in buying and importing, to some extent, pulp made of eucalyptus from the market[616]. However, they were not interested in relying much on market pulp, as producing pulp in their own mills was considered important due to the heavy fluctuations in the prices of market pulp and its varying quality[617].

So, the managers became more interested in building new pulp-making capacity outside Finland, in locations where cheap fibre or cheap short fibre was available and where fibre like eucalyptus was available. Further, the managers became more interested, in the early 1990s, in first obtaining some plantations in these areas and starting to grow the woods. This would a

[612] Lilja, Räsänen, and Tainio 199, pp. 11–12.
[613] Laitinen, Pentti (1996), "Indonesian sellusta kasvaa kauhukuva metsäteollisuuteen", *Helsingin Sanomat*, 22.10.1996; Bayliss 1997.
[614] Niemelä 1998.
[615] Uskali 1996a.
[616] Kettunen 2002, p. 21.
[617] Paavilainen 1995, p. 93.

translation of building new pulp-making capacity in locations where cheap fibre or cheap short fibre was available and where fibre like eucalyptus was available, as the wood from the plantations could be used in pulp mills which the corporations would possibly later build in the areas.

Still further, the managers became more interested in having joint ventures to grow plantations in the same locations. This would be a translation of obtaining some plantations in these areas and starting to grow the woods. Moreover, it was also a translation of making it easier to enter these countries far from Finland and Europe, where the P&P corporations had experience of operating, as cooperative joint ventures could be formed with some other companies that already had experience in the target countries, such as local companies or multinational companies that had been present there. Finally, it could be a translation of entering some countries in the first place, as e.g. in Indonesia and China, entering the country and the industry, e.g. acquiring land or building mills, would usually be impossible for a foreign firm unless it had a local partner. This would be due to the heavy domination, in these countries, by the government and certain families[618].

Note that it was particularly the managers of corporations other than Metsä-Serla that had the above interests. The managers of Metsä-Serla were not so interested in e.g. building new pulp-making capacity outside Finland. The managers of Metsä-Serla were more interested in finding applications for wood from Finnish forests. This would be a translation of meeting the demands of Metsä-Serla's main owners, Finnish forest-growers' Metsäliitto Cooperative.

Mobilizations. As an example, the management interests in forming joint ventures in growing plantations in locations where cheap fibre or cheap short fibre and where fibre like eucalyptus was available were strong, as Enso had its own joint venture for an acacia plantation in Indonesia, in the early 1990s[619]. With its two Indonesian partners it was growing plantations of about 100,000 hectares and waiting for the woods to be ready for cutting at the end of the decade and exploring the potential for building a pulp mill to use the wood. As another example, the interests were strong, as Kymmene established a joint venture in Uruguay, South America with the multinational oil giant Royal Dutch Petroleum Company, or Shell, for the cultivation of eucalyptus in the country and, possibly, for later pulp production in 1990[620]. The company acquired tens of thousands of hectares of land and started plantations in 1991. In 1997, when Kymmene had already merged with UPM to form UPM-Kymmene, the first woods were cut. Later, in the 2000s, the planning for a pulp mill in Uruguay, which would utilize wood from the plantations was started and Metsä-Botnia Corp., then owned by Metsä-Serla/M-Real and UPM-Kymmene (and by Metsäliitto Cooperative, the majority owner of M-Real), acquired the majority share of the joint venture in Uruguay from Shell.

On the other hand, when it comes to Metsä-Serla, the interests in particularly finding applications for wood from Finnish forests were strong, as the corporation developed, in the 1990s, chemical pulp and fine paper applications for aspen wood. Aspen was a shortfibre hardwood substitute for eucalyptus, but growing also in Finnish forests[621]. For instance, "Galerie Fine" fine paper, which Metsä-Serla's new machine in Kirkniemi started to produce in 1996 was this kind of an application (see also pp. 116, 187).

Interests in building paper and board machine capacity outside Finland next to chemical pulp mills since the late 1990s. Further, the CEOs, line managers,

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[618] Uskali 1996a; Baer 2000.
[619] Uskali 1996a;
Seppänen, Pekka (1997b), "Enson Härmälä yksinäisin", *Talouselämä*, 60 (36), pp. 22–26.
[620] Paavilainen 1995, 72.
Metsä-Botnia website, "Uruguay-projekti" [online], http://www.metsabotnia.com/default.asp?path=1,66,483,484 (Accessed 20.10.2005)
[621] Kettunen 2002, p. 21.

development managers, and procurement managers became, in the late 1990s, more interested in building also paper and board machine capacity – particularly in products, such as fine paper, which primarily needed chemical pulp – outside Finland, next to chemical pulp mills. This was due to recognition of the integration advantages from building integrated mills, i.e. building paper or board machines next to a pulp mill (see p. 92) – particularly if the location was simultaneously close to customers, such as in Southeast Asia.

Interests in realizing mergers & acquisitions by which production capacity could be obtained in locations where cheap short fibre was available since the late 1990s. Finally, particularly in the late 1990s, the CEOs, line managers, development managers, and procurement managers, as well as financial managers, of the Finnish P&P corporations were increasingly interested, not only in building capacity but also in in realizing such mergers and acquisitions by which production capacity could be obtained outside Finland, in locations where cheap fibre or cheap short fibre would be available and where fibre like eucalyptus would be available.

6.4.5 Cheap labour and energy available in Southeast Asia and South America

Mobilizations. Not only were the wood costs in Finland increasing, particularly in the mid 1990s, but the labour costs were going up as well. The labour cost gap, which existed due to the traditionally high salaries for Finnish paper industry workers, relative to mills located in other countries got larger. It got larger relative to mills e.g. in Central Europe, such as in Germany. Moreover, in the early 1990s, an increasing number of producers was planning and building mills in South America and Southeast Asia, where the labour costs would be significantly lower than in Finland, Europe, or North America[622]. In addition, in countries other than Finland, the producers would not be obliged to close their mills during certain holidays, such as during Christmas and the mid-summer festival[623].

Furthermore, in the mid 1990s, the government was planning to increase emissions taxes for energy consumption. In chemical pulping, this would not mean much, as the process produced more energy than it consumed, particularly in case the pulp was used at the mill site and not produced for transportation. But, mechanical pulping consumed lots of energy; also the heavy machines of wastepaper treatment and paper and boardmaking consumed a lot of energy. Moreover, particularly in South America and Southeast Asia, energy costs would be significantly lower than in Finland, Europe, or North America.

> **Enso line manager (executive), Kimmo Kalela, _in 1997_**[624]:
> There's nothing good in sight [in Finland]: due to e.g. preservation decisions, the wood quantities available to the market are decreasing and wood prices have increased. Similarly, energy costs are rising due to emission taxes and labour costs are again subject to upward pressures.

Moreover, not only was an increasing number of producers planning and building mills in Southeast Asia and South America, but they were planning and building mills of the latest, most cost-efficient technology. The problems with fibre concerning production in Finland combined with the problems with labour, energy, and new technology would make the Finnish P&P corporations less competitive relative to producers with mills and production in many other countries, particularly in Southeast Asia and South America. Indeed, at the end of 1995, the

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[622]   Hetemäki, Lauri (1997), _Metsäsektori 2010_. Helsinki, Finland: Kustannusosakeyhtiö Metsälehti. p. 77;
        Illi 1997; Siitonen 2003, p. 116.
[623]   Illi 1997.
[624]   Ibid.

Southeast Asian pulp producers, particularly in Indonesia, contributed, with their new pulp production and investments, to the drastic fall of the price of market pulp – about 50 per cent in six months[625]. Fine paper prices followed and quickly ruined the profitability of the Finnish P&P corporations[626]. The competitors were combining low raw material costs with low labour costs and the newest large-scale technology[627]. Although a couple of years later, many investment projects in Southeast Asia were frozen or canceled due to financial problems stemming from the Asian economic crisis, the problems remained serious[628].

Interests in building pulp and paper production capacity in Southeast Asia and South America since the mid 1990s. Recognizing the problems with the increasing competitiveness of producers in e.g. Southeast Asia and South America, the CEOs, line managers (of mills and, later [see 7.1.2], divisions), (strategic) development managers, and procurement managers, as well as energy managers and human resources managers, of the Finnish P&P corporations became increasingly interested in places like Southeast Asia and South America, particularly when it came to building new pulp production capacity. Furthermore, they recognized the problems in relation to paper and board products, too. New Southeast Asian, especially Indonesian, paper mills would in a few years produce such large volumes of fine paper that the supply would greatly exceed the local demand and this low-cost production would be pushed to e.g. European markets.[629] Accordingly, the managers were increasingly interested in building their own capacity, also in paper production, in Asia[630].

Interests in realizing mergers & acquisitions by which production capacity in locations where cheap labour and energy would be available, as well as fairly new technology, since the mid 1990s. Finally, in the late 1990s, the CEOs, line managers, development managers, procurement managers, energy managers, and human resources managers, as well as financial managers, became increasingly interested, not only in building capacity but also in realizing such mergers and acquisitions by which production capacity could be obtained outside Finland, in locations where also cheap labour and energy would be available, as well as fairly new technology.

6.4.6 The corporation obtaining production capacity and selling more of production in new locations outside Finland and Europe

Mobilizations. The management interests in building additional new paper and board production capacity particularly inside the market areas of high paper and board consumption and demand (section 6.4.2), such as Central and Western Europe, rather than e.g. in Finland, were strong, for instance, as
> UPM built a mill with a newsprint machine in Shotton, UK, and started it up in 1985;
> UPM built another newsprint machine in Shotton and started it up in 1989;

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[625] Uskali 1996a; Laitinen 1996;
Isotalus, Päivi (1997), ”Aallonharjalta aallonpohjalle. Metsäteollisuus koki kaikkien aikojen nopeimman suhdanneheilurin. Sellun hinta putosi puolessa vuodessa alle puoleen ilman selvää syytä”, *Helsingin Sanomat*, 26.1.1997.

[626] Iivonen, Jyrki (1997), ”UPM:n tulos puoliintui. Liikevaihto supistui, sellu ja hienopaperi heikensivät kannattavuutta”, *Helsingin Sanomat*, 5.3.1997.
Ruonala, Marko (1996), ”Aasian sellun hinnan lasku heijastui metsäosakkeisiin”, *Helsingin Sanomat*, 8.11.1996.
Lassila, Anni (1997a), ”Kanadan lakko voi nostaa sellun ja paperin hintaa”, *Helsingin Sanomat*, 15.7.1997.

[627] Uskali 1996a.

[628] Anon. (a) (1998), ”Enso ennustaa sellun virkoavan”, *Helsingin Sanomat*, 3.7.1998.
Bayliss 1997.

[629] Uskali, Tero (1996b), “Maailman metsäyhtiöiden pudotuspeli alkaa koventua”, *Helsingin Sanomat*, 24.9.1996.
Baer 1998; Uskali 1996a.

[630] Salo, Irmeli (1997), ”UPM-Kymmene kyökin kautta Kiinaan”, *Talouselämä*, 60 (30), pp. 12–13.

> Kymmene built a mill, Caledonian Paper, with an LWC machine in Scotland and started it up in 1989;
> UPM-Kymmene built a new fine paper machine at the Nordland Paper mill, Germany, and started it up in 1996;
> Enso built a new mill in Sachsen, Germany, and started it up in 1994.

Among these examples, the interests in obtaining capacity using local waste paper as raw material (section 6.4.3) were also strong in most. They were particularly strong, as UPM built the two newsprint machines in Shotton and as Enso built the newsprint machine at the Sachsen mill; these machines would use recycled fibre to a great extent.

The interests in obtaining production capacity in areas of large market demand – including not only Central and Western Europe but also North America – by the way of mergers and acquisitions demand (section 6.4.2) were strong, for instance, as

> UPM acquired Stracel and its pulp mill in France in 1988;
> Kymmene acquired Chapelle Darblay with mills in France in 1990
> UPM-Kymmene acquired Blandin Paper Company with a mill in the USA in 1997;
> UPM-Kymmene acquired Repap Enterprises with a mill in Canada in 2000;
> UPM-Kymmene acquired Haindl with mills in Germany and Austria in 2001;
> Enso acquired a majority share in Berghuizer with a mill in the Netherlands in 1989 and the rest of the shares in 1994;
> Enso acquired E. Holtzmann with mills in Germany in 1997;
> Enso merged with STORA, having mills in e.g. Sweden, Germany, Belgium, and Canada, in 1998;
> Stora Enso acquired Consolidated Papers with mills in the USA in 2000;
> Metsä-Serla acquired Biberist with a mill in Switzerland in 1996;
> Metsä-Serla acquired UK Paper with mills in the UK in 1998;
> Metsä-Serla acquired Modo Paper with mills in Sweden, Germany, France, and Austria in 2000;
> Metsä-Serla acquired Zanders with mills in Germany in 2000.

Among these examples, also the interests in obtaining capacity using local waste paper as raw material (section 6.4.3) were strong in most. They were particularly strong, as UPM-Kymmene acquired Haindl, obtaining machines utilizing recycled paper at the Schongau and Schwendt mills in Germany, and as Enso acquired Holtzmann, obtaining a newspaper machine utilizing recycled fibre[631].

On the other hand, not only were the interests in obtaining new paper and board production capacity within areas of large market demand, such as Central Europe, strong when UPM-Kymmene acquired Haindl but also the interests in obtaining production capacity inside, or near, an area of high demand growth, i.e. Eastern Europe (section 6.4.1), were somewhat strong[632].

6.4.7 The corporation starting projects in developing countries

Mobilizations. Nevertheless, the interests in obtaining new paper and board production capacity within the areas of high demand growth through mergers and acquisitions and joint ventures (section 6.4.1) were particularly strong, as UPM-Kymmene started a joint venture with a Singapore-based P&P company, Asian Pacific Resource International Holdings Ltd, or APRIL. The companies would jointly develop their fine paper operations in Asia and Europe, especially by

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[631] Paloheimo 2001; Illi 1997.

[632] Paloheimo 2001.

selling and marketing each other's products and doing joint research and development. There was also a plan to swap ownership stakes of 30 percent of their respective fine paper operations, once the last one of APRIL's three paper machines under construction in Indonesia and China would start up.[633] Soon, in 1998–1998, this joint venture was, however, ended due to APRIL's financial problems and its inability to build the machines as planned. UPM-Kymmene was also criticized by environmental organizations over the cooperation with APRIL in Indonesia, a developing country (see section 6.5.5). Eventually, UPM-Kymmene ended up acquiring and completing the build-up of APRIL's paper mill in Changsu, Jiangsu, China. The production was started in 1999.

As other examples, the same management interests were strong, as Enso acquired a fifth of the Thai paper and pulp company Advance Agro in 1998 and received exclusive right to sell its pulp and paper products outside Thailand and Japan[634]. The interests were present also, as STORA acquired a majority stake in First Suzhou Paper Company with a mill in Suzhou, Jiangsu, China, producing coated fine paper, when in the process of merging with Enso in 1998.

In the above examples, also interests related to making such mergers and acquisitions by which production capacity could be obtained outside Finland, in locations where cheap fibre or cheap short fibre would available, where fibre like eucalyptus would be available, and where cheap labour and energy would be available were very strong. These interests were present also, as Enso merged with STORA, coming to participate in STORA's project in building a pulp mill in Veracel, Brasil, in a joint venture with a local company. And they were present in UPM-Kymmene's failed attempt to acquire the American P&P corporation Champion in 2000 (see also p. 126): Champion owned e.g. extensive forest resources in Brazil[635].

6.4.8 Customers and employees in the corporation's new production locations outside Finland and Europe not being very aware of the corporation

[management interest (in corporate branding) mI#8 *(continued)*]

Increasing (direct) customer awareness of the corporation as a paper and board supplier

Interests in increasing (direct) customer awareness of the corporation as a paper and board supplier since the late 1990s. Obtaining more production capacity to serve the high-growth markets, as well as the world's largest markets, the CEOs, line managers (of mills and divisions [see 7.1.2]), corporate communications managers, sales managers (of own sales offices), and marketing managers (of mills and divisions [see 7.1.4]) became, in the late 1990s, more interested in increasing customer awareness of the corporation as a paper and board supplier, particularly in China, other parts of Asia, Eastern Europe and the CIS, as well as North America. This was due to recognition of that potential customers in these areas were not very aware of the corporation. Whereas in Central and Western Europe, which had traditionally been the main markets for the corporations, potential customers, at least larger direct ones, would be quite aware of the corporations as a potential paper and/or board suppliers to them, potential customers in North America, China, other parts of Asia, Eastern

[633] Porkka, Meri (1999), *Relationship between environmental performance and corporate image – case of forest industry.* Pro Gradu Master's Thesis, Department of Marketing, Helsinki School of Economics and Business Administration, Helsinki, Finland.
Niemelä 1998;
UPM-Kymmene, Press Release, 12.9.1997.

[634] Vuola, Hannu (1998), "Enson piinaviikot alkoivat", *Talouselämä,* 61 (38), p. 105;
Asikainen, Minna (1998), "Enso osti viidenneksen paperiyhtiöstä Thaimaassa", *Helsingin Sanomat,* 30.6.1998.

[635] Laitinen, Pentti (2000b), "UPM-Kymmene kurotti yli Atlantin", *Helsingin Sanomat,* 18.2.2000.

Europe and the CIS, as well as South America were not necessarily. This was true even if the corporations had had some customers in these areas also earlier. Increasing awareness of the corporation among potential customers to a greater extent in the areas would make selling to them easier. In UPM-Kymmene, this interest became particularly strong, when it acquired Blandin Paper Company in the US in 1997 and Repap in Canada in 2000[636] and built and acquired Chiansgu mill in China in 1998–2000 and planned to build further production capacity there, starting from 2002[637]. In Stora Enso, the interest became particularly strong, as it was acquiring and had acquired Consolidated Papers in the USA in 2000 (see also pp. 126, 128)[638].

Mobilizations. Acquiring, merging with or forming joint ventures with companies in North America, China, other Asia, Eastern Europe and the CIS, as well as South America in itself helped in increasing the awareness, as potential customers learned about the corporation e.g. through media coverage. So did the building of new mills, particularly in the developing countries, such as in China – the building and the start-up of a new mill by a Western corporation could be quite a media occasion. The interest in increasing the awareness was strong also, as more sales force was hired and advertisement campaigns arranged in the local press and outdoors[639]. The interest was also present, as UPM-Kymmene and Stora Enso listed themselves on the New York Stock Exchange in 1999 and 2000, respectively (see p. 127)[640].

[management interest (in corporate branding) mI#12]
Increasing potential employee awareness of the corporation

Interests in increasing potential employee awareness of the corporation since the late 1990s. Obtaining more production capacity to serve the high-growth markets, as well as the world's largest markets, the CEOs, line managers (of mills and divisions [see 7.1.2]), corporate communications managers, and human resources managers became, in the late 1990s, more interested in increasing awareness of the corporation as an employer among potential employees, particularly in China, other parts of Asia, Eastern Europe and the CIS, as well as North America. This would be a translation of recruiting competent employees. In Finland, where the corporations had earlier recruited the great majority of employees, potential employees, such as students, would be very aware of the corporations as potential employers and even consider them quite attractive ones. However, in the mentioned regions, where the corporations had not traditionally had many production units needing lots of employees, potential employees or general public in general would not be practically at all aware of the corporations. Increasing awareness of the corporation among potential employees in these areas would make recruiting good employees easier.

Mobilizations. Acquiring, merging with or forming joint ventures with companies in North America, China, other parts of Asia, Eastern Europe and CIS, and South America in itself

[636] Interviews (e.g. with Granholm 23.3.2005);
      Käyhty 1997;
      UPM-Kymmene, Press Releases, 30.9.1997, 31.10.1997, 29.8.2000, 16.10.2000.
[637] Interviews (e.g. with Granholm 23.3.2005);
      UPM-Kymmene, Press Releases, 6.3.1998, 16.9.1999, 23.8.2000, 1.9.2000, 11.7.2002, 17.12.2002.
[638] Interviews (e.g. with Vainio 22.3.2005);
      Åkerman, Kjell (2001), "Yhdysvaltain talous on suurin haasteemme", *Stora Enso Global,* Heinäkuu, pp. 14–15.
      Vainio, Kari (2000), "Paper can do", *Tempus,* 4, p. 5.
      Stora Enso, Press Releases, 22.2.2000, 28.8.2000, 30.8.2000, 31.8.2000.
[639] Ahokas, Hannele (1998), "UPM-Kymmene teki itseään tunnetuksi imagokampanjalla Venäjällä. Kampanja poiki paljon yhteydenottoja", *Idänkauppa,* 4, pp. 14–16.
      Anon. (d) (1998), "Yrityskuvaa venäläisittäin", *UPM-Kymmene Watch,* 1, p. 29.

helped in increasing the awareness, as potential employees learned about the corporation e.g. through media coverage. So did building new mills, particularly in the developing countries, such as in China. The interest in increasing the awareness was strong also, as the corporations participated in employer and recruitment fairs, arranged visits for students to e.g. production units and produced and distributed brochures about the corporations to students. And the interest was present also, as advertisement campaigns were arranged in the local press and outdoors.[641]

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[640] Interviews (e.g. with Harsu 13.10.2005; Granholm 23.3.2005);
       Siitonen 2003, p. 119; Puputti 2003.
[641] Interviews (e.g. with Starck 14.10.2005; Rysä 21.1.2005; Harrela 24.3.2005);

6.5   Environmental responsibility issues

6.5.1 Environmental friendliness becoming a concern to the corporation's customers and related criteria and images having an impact on business: "Chlorine-free" products and mills

Mobilizations. In September 1987, *The New York Times* ran a front-page story reporting that traces of "dioxin", or tetrachlorodibenzoparadioxin (TCDD), had been detected in household paper products, e.g. in diapers[642]. Other media followed, reminding the general public that since the 1970s dioxin had been considered by researchers as the most potent animal carcinogen ever tested. The media reported also that an authority in the USA, the Environmental Protection Agency (EPA) had already in 1983 initiated a national dioxin survey with researchers. Their researchers had detected elevated dioxin levels downstream from P&P mills and by testing wastewater treatment sludge from the mills found that dioxin levels were highest in the sludges of bleached sulphate pulp mills, suggesting that dioxin was probably being formed as a byproduct during the bleaching of wood pulp with chlorine. For decades, elemental chlorine (Cl_2) had been used in pulp production to remove lignin from pulp. Lignin, as a natural polymer binding to and supporting cellulose fibres of woody plants discoloured and weakened paper products. Chemical pulping, as such, dissolved a large proportion of the lignin of the wood raw material, using e.g. alkalis or sulfites. Nevertheless, chlorine was used to further remove lignin to produce durable white paper products.[643]

Following the findings, the American P&P corporations had, in 1986, agreed to study wastewaters at five mills for dioxin, as well as for a similar toxin, "furan"[644]. Upon learning of this agreement, an international environmental organization, Greenpeace, on the other hand, had initiated a Freedom of Information Act (FOIA) request seeking all available information on the pulp mill dioxin problem. But in 1987, a letter from the EPA to P&P corporations ended up in the hands of Greenpeace: the letter suggested that the EPA had agreed to notify the corporations immediately of the receipt of any FOIA requests and that, barring such requests or results indicating a potential threat to human health, the agency would not release any results until the publication of the final five mills study report.[645] In August 1987, Greenpeace then released a report accusing the EPA of a cover-up[646]. Based on the preliminary results on the five mills study and the analysis of dioxin in paper products that were later added to the study, *The New York Times* published the story. This and further media reports, reporting e.g. dioxin discoveries in milk and their paper containers, toweling, sanitary, and other products[647], gave the general public rather strong impression that dioxin was formed by pulp bleaching and was present in common household products.[648]

For researchers, dioxin belonged to a group of chlorinated organic compounds or organochlorines, which might accumulate in food chains. Incidentally, the researchers could measure discharges of dioxins and the dioxin-like furans by the P&P industry in terms of grams per year, while the discharges of many other organochlorines were expressed in tons per year.

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[642] Shabecoff, Philip (1987), "Traces of Dioxin Found in Range of Paper Products", *New York Times*, 1987-09-24, p.A1.

[643] Ibid.

[644] Ibid.

[645] Ibid.

[646] Harrison, K. and G. Hoberg (1991), "Setting the environmental agenda in canada and the United States", *Canadian Journal of Political Science*, March, pp. 3-27.

[647] Sonnenfeld, David A. (1999), *Social movements and ecological modernization. The transformation of pulp and paper manufacturing.* Working Paper WP 00-6, Institute of International Studies, University of California, Berkeley, California.

[648] Powell 1997.

Despite this disparity in the quantity of environmental releases, researchers were especially concerned about dioxins and furans because of their particularly high toxicity. Some researchers, however, were more concerned about the whole heterogeneous soup of organochlorines discharged in bulk from P&P mills because most of these compounds had not been toxicologically analysed and because the chemical transformations of organochlorines in the environment were not fully understood. Thus, some researchers argued that *all* organochlorines should be considered potentially very dangerous.[649]

In Sweden, researchers had since 1977 been conducting studies to analyse some dramatic effects on fish populations located near bleached sulphate (kraft) P&P mills, e.g. fish kills. In studies conducted between 1977 and 1985, the impact of organochlorines had been analysed and, reflecting the concern for *all* organochlorines, an indicator to measure their concentration in a wastewater sample at the end of the mill wastewater pipe had been developed.[650] Specifically, a measure of the concentration of absorbable organic halides or "AOX" had been developed to measure the halogens present in the wastewater, the halogens being almost entirely chlorine in the case of pulp mills[651]. In 1985, authorities in Nordic countries, including Finland, adopted AOX as the norm for measuring emissions of organochlorines by pulp mills[652].

Actually, researchers could not find the level of AOX to correlate very well with specific chlorinated organic compounds, such as dioxin and furan, or with the distribution of observed effects in fish populations. AOX was quite linearly related to the amount of chlorine used in bleaching while polychlorinated organic materials (dioxin, furan, and polychlorinated phenols) showed a greater reduction than AOX, as the chlorine charge was reduced. Some researchers and environmental activists, however, argued that because discharges of e.g. dioxin below the analytical detection levels of the instruments would not meet stringent health-based ambient water quality criteria, it would be justifiable to use reductions achieved in AOX levels as a surrogate for comparing the efficacy of alternative pollution control technologies. Also, as only a few of the numerous organochlorines discharged by pulp bleaching had been identified or toxicologically tested and many of the uncharacterized compounds could be environmentally hazardous, using the AOX measure would be preferable.[653]

Further, some researchers suggested that there would be a threshold level of chlorine charge in bleaching required for any dioxin or furan formation to occur and that complete substitution of chlorine dioxide for elemental chlorine, or chlorine gas, which had been widely used in bleaching, could prevent such formation.[654] Chlorine dioxide was more selective for the lignin, which was to be removed from the pulp, and could thus achieve the same level of pulp bleaching with a much lower input or charge of chlorine. Also the AOX levels would be substantially reduced. Accordingly, since the mid 1980s, Finnish P&P corporations among others were focusing, with researchers, on developing bleaching technologies and processes that would not use elemental chlorine but merely chlorine dioxide, i.e. elemental chlorine free (ECF) bleaching. In addition to the mere substitution of chlorine dioxide for chlorine, the chlorine charge could be lowered by applying extended cooking of the pulp, which would reduce the need for use of bleaching agent after the cooking stage. Also, oxygen delignification (OD) or using oxygen components as initial bleaching agents would mean that less chlorine or chlorine dioxide would be needed. However, OD was quite a capital-intensive technology.

By the late 1980s, researchers particularly in Europe, not least in Sweden and Finland, were reporting and widely commenting on dioxin as a by-product of chlorine-based pulp

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[649] Ibid.

[650] Ibid.

[651] Gullichsen, John and Hannu Paulapuro (ed.) (1998), *Environmental control. Papermaking Science and Technology. Book 19*. p. 32.

[652] Kuisma (Mika) 2004, p. 77.

[653] Powell 1997.

[654] Ibid.

manufacturing. But particularly active were environmental organizations, such as Greenpeace. They were communicating with authorities, negotiating with P&P corporations, arranging demonstrations, educating consumers and customers of P&P corporations, testifying at public hearings, and commenting in the media about the use of chlorine in pulp bleaching and the presence of dioxin in paper products and in waters nearby pulp mills, demanding tighter regulations for P&P corporations and their pulp mills. This activity was effective: the general public, consumers, became concerned and tighter restrictions on chlorinated emissions were set up by authorities.[655] It became clear that the criteria for environmental protection and environmental friendliness had largely transformed into the absence of chlorine and dioxin in paper and board products, low chlorine and dioxin emissions from the P&P mills, and elemental chlorine-free bleaching. And these would not be concerns only to local people living close to mills, the general public, and the media – as before (see section 5.5) – but also to the general public as consumers, buying various products made of paper and board, and, hence, to the P&P corporations' customers.

Whereas Greenpeace was concentrating on the use of chlorine in chemical pulping, organizations such as Women's Environmental Network concentrated on the use of chlorine in the production of tissue paper products (not based on chemical sulphate pulping, where extensive bleaching needed). World-wide campaigns were launched against use of chlorine in production of tissue products, tampons, sanitary pads and disposable diapers. Here, the consumers became even more concerned, as the question was about the safety of products they were directly and intimately in contact with daily.[656] Consumers were significantly reducing purchases of "chlorine-bleached" paper products, altogether[657].

Interests in speeding up the introduction of chlorine-free technologies in the late 1980s. Recognizing that the new criteria for environmental friendliness posed for the P&P corporations had largely transformed into a requirement for the absence of chlorine and dioxin in the products, low chlorine and dioxin emissions from the mills, and ECF bleaching, and that these would be concerns also for the P&P corporations' customers, the CEOs, line managers (of mills), (strategic) development managers, sales managers (of mills and, later [see 6.3.4], own sales offices), marketing managers (of mills), corporate communications managers, and environmental managers became more interested in speeding up the introduction of technologies eliminating the need for chlorine use in production. This would be a translation of simply staying in business. Consumers and the customers of the corporations could stop buying products in whose production chlorine was used. Particularly with tissue products, consumers would be increasingly environment-conscious and demanding chlorine-free products. On the other hand, authorities could set tight regulations restricting the use of chlorine. Moreover, speeding up the introduction of technologies eliminating the need for chlorine use in production would be a translation of potentially gaining a competitive advantage over producers not being able to offer low-chlorine products.

Mobilizations. The interests in speeding up the introduction of chlorine-free technologies were strong, as, for instance, Metsä-Serla, which had considerable tissue production, developed chlorine-free tissue products and production processes in the late 1980s. In tissue products, where the brightness and strength requirements for paper were relatively forgiving, changes eliminating chlorine use could be made relatively easily and inexpensively, given the non-sulphate technological base. Actually, there already were chlorine-free tissue paper production processes available.[658] Some producers, like Mölnlycke in Sweden, could, immediately after the

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[655] Sonnenfeld 1999.

[656] Ibid.

[657] Raeste 1992.

[658] Sonnenfeld 1999.

dioxin issue came up in the USA in 1987 and consumers' demands started to increase, launch campaigns against chlorine-bleached products, aimed at competitors still using chlorine-bleaching[659]. But competitors soon countered and followed by promoting their own non-chlorine-bleached products – like Holmen Hygien in Sweden, which was later acquired by the Finnish Metsä-Serla[660].

Nevertheless, the interests in speeding up introduction of chlorine-free technologies were strong also in general, as the Finnish P&P corporations, among many others particularly in the Nordic countries, developed and adopted technologies related to elimination of chlorine use in sulphate pulping and bleaching, particularly the use of elemental chlorine. Consequently, elemental chlorine-free, ECF pulp became a standard product of Nordic producers, including the Finnish ones, around 1989[661]. By 1991, leading industry trade journals declared elemental chlorine "dead" as an ingredient for papermaking in Europe and North America[662].

For some researchers and particularly for the environmental organizations, ECF pulp production, or eliminating the use of elemental chlorine with completely substituting chlorine dioxide for it, was not enough, though. They speculated that although the concentrations of dioxin and furan were below the limits of detectability in many mills using complete substitution, there could be imperceptibly small reductions in dioxin-like compounds associated with reducing the AOX load, through totally eliminating the use of even chlorine dioxide and moving to totally chlorine-free (TCF) production. They were also concerned about that, in general, little was still known about the soup of organochlorines (~AOX), the emissions of which should thus be minimized, preferably through TCF production. Namely, given the huge number of randomly interacting molecules present in commercial-scale pulp bleaching, it might be expected that some trace amounts, even if undetectable, of highly-chlorinated organics (such as dioxin and furan) would be formed at even the lowest chlorine charges.

So, while the P&P corporations, the Swedish and Finnish among the most active, were taking ECF production processes into use, the environmental organizations defined "chlorine-free" bleaching and production as the necessary criterion for environment-friendliness for products produced P&P corporations and their mills. Greenpeace, again, was actively campaigning and speaking for this criterion towards the authorities, the general public, and customers of the P&P corporations. The organization launched a specific "Chlorine free by '93" campaign aimed at achieving a total ban on organochlorine discharges by the year 1993, through the elimination of chlorine and chlorine compounds from the pulp bleaching process. As there was no scientific evidence of "chlorine-free" TCF production being more environmentally safe than ECF production, the managers of the P&P corporations started to be increasingly suspicious of the nature of Greenpeace as an environmental organization. Would it be just a commercial organization that would need to create publicity for certain "environmental" causes in order to ensure funding to itself? Would other industries, such as the chemical industry, finance Greenpeace, so that it would concentrate on "environmental" issues in e.g. the P&P industry, instead of the chemical industry?[663] Moreover, even the authorities in some countries, such as Norway, would campaign for banning chlorine bleaching totally. These "environmentality" campaigns were considered by the managers of the Finnish P&P corporations as trade-political. For instance, in Norway the shift would have been quite easy, since it only had one mill producing bleached sulphate pulp[664].

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[659] Tuomikoski, Markku (1991), *Determinants of competitive strategy in the Swedish tissue paper industry – Case Metsä-Serla Ab.* Pro Gradu Master's Thesis, Department of Marketing, Helsinki School of Economics and Business Administration, Helsinki, Finland.

[660] Laitinen, Pentti (1991b), "Näkökulma. Jätteillä pyyhitään", *Helsingin Sanomat*, 19.2.1991.

[661] Halme 1997, p. 107.

[662] Pearson, John (1991), "Chlorine is dying: we told you so" *Pulp and Paper International*, 33 (8), August.

[663] Interviews (e.g. with Taukojärvi 30.9.2005).

[664] Anon. (b) (1991), "Norja ehdottaa kloorin kieltämistä metsäteollisuudessa", *Helsingin Sanomat*, 30.8.1991.

In any case, the criteria for environmental protection was now transforming into TCF production.

Interests in communicating ECF as an environmentally friendly technology in the early 1990. Recognizing the chlorine-ban campaigns and the criteria for environmentally friendly technology transforming into TCF production, even if there was no unanimity among researchers on whether it was more environmentally friendly than ECF, the CEOs, line managers, development managers, sales managers, marketing managers, corporate communications managers, and environmental managers, of the Finnish P&P corporations' became further more interested, in the early 1990s, in speeding up introduction of new, totally chlorine-free bleaching methods[665]. Nevertheless, they became more interested also in communicating to customers about ECF being an equally environmentally friendly technology. This would, again, be a translation of staying in business. Moreover, it would be a translation of potentially gaining a competitive advantage over producers not being able to offer products produced even with ECF technology.

Mobilizations. The interests in communicating ECF as environmentally friendly technology were strong, as the Finnish P&P corporations, or the industry in a unified front with the industry organization Finnish Forest Industries Federation (FFIF), arranged campaigns informing customers about ECF in the early 1990s. The interests in speeding up the introduction of new, totally chlorine-free bleaching methods, in turn, were strong, as the Finnish P&P corporations, like Swedish ones, took into use even TCF processes in some modern pulp mills. TCF pulp was available in the market in 1990[666]. The first Finnish pulp mill announced its ability to produce chlorine-free pulp in 1991. And when new mills were planned from scratch, TCF technology could actually be a cheaper option than more traditional bleaching technologies. So, e.g. the new mill that Metsä-Rauma, owned by UPM, Metsäliitto Cooperative, and Metsä-Botnia, was planning in Rauma would rely on TCF technology.[667]

Once TCF pulp was available, Greenpeace, in its "Chlorine Free By '93" campaign, became particularly active on the large institutional users of paper, such as large publishers in Central Europe[668]. One example of Greenpeace's campaigning having significant influence on not only the media, the authorities, and the general public, but also the P&P corporations' customers is seen in a development in 1991–1992. First, in 1991, the German office of Greenpeace published a one-off publication, *Das Plagiat,* which looked exactly like the well-known *Der Spiegel,* but was printed on TCF paper from a Swedish mill. This was to demonstrate to the general public, publishers, and media that a magazine made of TCF LWC paper was almost as bright as ones made of chlorine-bleached paper. *Das Plagiat* included a reply card to be sent to the editor of the genuine *Der Spiegel,* urging it to start using chlorine-free paper. This resulted in mailbags full of reply cards from readers. In the Autumn of 1992, the magazine started being printed on TCF paper. The majority of other German periodicals soon followed. The rapid market demand increase caused temporary undersupply of TCF and the prices of TCF market pulp could be 15 higher than those of traditionally bleached pulps. The companies who could produce chlorine-free pulp made profits.[669]

However, after the initial burst in demand from especially German customers, the demand growth leveled down. Once some new TCF production had been set up, the price premiums also

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[665] Halme 1997, p. 107.
[666] Linnanen, Lassi (1995b), "Market dynamics and sustainable organizations: HRM implications in the pulp and paper industry's management of environmental issues", *Greener Management International,* 10, pp. 85–124.
[667] Linnanen 1995a.
[668] Robins, Nick and Sarah Roberts (1996), "Rethinking paper consumption". Discussion Paper, International Institute for Environment and Development, London, England.
[669] Linnanen 1995a.

diminished quickly.[670] Actually, the pressure on Finnish P&P corporations' large customers, such as publishers and printing houses, from the side of consumers, or readers did not grow so strong that they would have started to accept only TCF products. This did not happen even in Germany or German-speaking countries, where the demands for first "low chlorine" and then "chlorine-free" products were some of the strongest and where the largest and most important customers for Finnish P&P corporations were. For most customers, the paper products being made of ECF pulp was enough. In Finland, the last pulp mills to end the use of elemental chlorine in bleaching did it in 1993[671]. The emissions of organochlorines by paper and pulp mills had in five years by 1992 dropped to one third with the shift to using chlorine dioxide and oxygen delignification instead of elemental chlorine. Here the Finnish P&P corporations along with the Swedish ones were forerunners, which meant that their customers did not basically have anywhere else to look for production with lower emissions.[672]

At the same time, researchers could still not find any significant difference between TCF and ECF in terms of environmental friendliness. The authorities in Finland, besides the customers in Europe, were fairly happy with the radical reductions in chlorinated, and particularly the highly chlorinated, substances. Hence, the pressure on Finnish P&P corporations started to get alleviated in relation to chlorine quite significantly in the early years of the 1990s[673], albeit that the environmental organizations could to some extent still continue reporting and commenting about chlorine use in pulp bleaching and it not being environmentally friendly[674].

6.5.2 Changing criteria for environment-friendliness: "Recycled" products besides the "chlorine-free"

Mobilizations. But there were also other criteria of environment-friendliness that the environmental organizations had been active on, and this activity started to have effect in the late 1980s. Initially, particularly in Central Europe, the environmental organizations and activists had strengthened the concern of the media and general public about the problems of landfill and of how a large proportion of the total landfilled material consisted of paper and board products[675]. "Recycling" and the "recyclability" of products were emphasized as necessary in protecting the environment and the definition of environmental friendliness was transforming into the recycling and recyclability of products, besides being chlorine-free. Further, it was suggested that to alleviate these environmental problems, paper and packaging recovery rates should be increased and paper and board packages should be produced to a larger extent from recycled paper or board, i.e. recycled fibre. On the other hand, it was widely commented that increasing the use of recycled fibre would be environmentally friendly also in simultaneously reducing the need for virgin fibre, i.e. "cutting of forests" – important for the general public particularly in Central Europe, where historically forests had largely been cut down. Consequently, more and more consumers, assuming the level of recycled paper and board content as a new criteria for environmental friendliness in buying products and being prepared to ease on formerly important criteria such as paper whiteness, were demanding more such products: tissue produced of recycled paper, copier paper produced of recycled paper, envelopes produced of recycled paper, newspapers produced of recycled paper, product packaging board produced of recycled paper, etc. Furthermore, the general public, media, and environmental organizations and activists, being increasingly concerned about recycled content and recycling,

[670] Ibid.

[671] Kuisma (Mika) 2004.

[672] Interviews (e.g. with Metsävirta 8.8.2005).

[673] Laitinen 1991a.

[674] Hirvikorpi, Helinä (1995), "Päästöt hallinnassa, väitämme – Pehr-Eric Pått – Kymmene", *Talouselämä*, 22, pp. 34–35.

[675] Halme 1997, pp. 104–107; Linnanen 1995a.

were pressuring authorities to set up regulations and requirements with regard to the use of recycled fibre in various paper and board products and the recycling of the products. Both the consumer demand and the pressure for regulation occurred in Central Europe, particularly in Germany, in certain states in the US and in Japan – densely populated areas with high paper and packaging consumption and small available areas for landfill.[676]

At the beginning of the 1990s, further activity emerged. The managers of the Finnish P&P corporations came to learn that authorities particularly in Germany but also in the European Union (EU) were planning to set up regulations and even quotas for minimum recycled fibre content in paper and board products; particularly in board, tissue, and newsprint, the regulations would be strict. Also, the authorities were planning regulations aimed at increasing the recycling of the products. For instance, retailers and manufacturers would be obliged to take back the packages, also board and paperboard packages, of their products and deliver them to recycling in a system independent of the public waste disposal system. Moreover, the regulations could potentially even oblige a paper or board importer to export a corresponding amount of paper or board waste back.[677]

The authorities in Germany, pressured heavily by environmental organizations and the general public, were pioneering in planning strict regulations and, as Germany was a very powerful member of the EU, it would be probable that the EU would follow Germany in setting up recycling directives for its member countries.[678] The P&P corporations' customers in all EU countries would then potentially have to obey the regulations imposed. Furthermore, also the customers of the P&P corporations in other countries, such as Finland, that were exporting to e.g. Germany would have to obey the regulations.

Being aware of the upcoming regulations, the customers from these countries were already at the turn of the 1990s increasingly contacting Finnish P&P corporations and their mills and inquiring about the recycled content of the products. One the one hand, they were concerned about whether they could buy products that would meet the regulations in terms of recycled content from the mills. On the other hand, they were willing to buy products with higher recycled content in order to be better able to sell the products to their customers who were also concerned about the recycled content, and eventually to consumers[679]. For instance, consumer goods packagers and supermarkets would demand packaging board of recycled fibre in order to be able to tell consumers that they used recycled materials and have it printed on their packages that they were environmentally friendly and of recycled board[680].

At the turn of the 1990s, it became clear that the criteria for environmental friendliness were transforming, again. It had been taken for granted that recycling and the recyclability of the products, whereby most paper and board products performed well, would be the criteria. Now the criteria was transforming into recycled fibre content of the paper and board products.[681] And the Finnish P&P corporations, having most of their existing production in Finland, were not in a good competitive position in that regard. The only mill in Finland producing e.g. newsprint that would meet the regulations for minimum recycled content was, at the beginning of the 1990s, UPM's Kaipola mill. On the other hand, the collection rate for wastepaper was already close to 50 percent and it would be difficult to get to over 60 percent in a large country with a scattered population, and after Kaipola mill had started using wastepaper, all the collected wastepaper

[676] Laitinen 1991a;
        Forsman, Pentti, Pertti Haaparanta and Tarja Heinonen (1993), "Waste paper recycling and the structure of forest industry". Bank of Finland Discussion Papers 3/93, Economics Department, Bank of Finland.

[677] Linnanen 1995a.

[678] Laitinen 1991a.

[679] Halme 1997, p. 112.

[680] Tilli, Juha (1995), *Marketing strategy and environmentalism – the case of a Finnish forest industry business unit.* Pro Gradu Master's Thesis, Department of Marketing, Helsinki School of Economics and Business Administration, Helsinki, Finland. p. 43;
        Halme 1997, p. 112.

[681] Halme 1997, p. 112.

was already used.[682] Further, transporting wastepaper from e.g. Central Europe would be costly. The advantage would be with the competitors who had mills in Central Europe close to where lots of wastepaper was produced, many of which had already shifted to using recycled fibre.[683]

Actually, it was rather apparent that authorities in Central Europe were planning strict regulations for recycled content of paper and board products partly, again, due to trade political interests of improving the competitiveness of the local P&P producers[684], both directly through the regulations and through influencing the consumers' attitudes in their countries. They were thus emphasizing the high recycled content level of the products as environmentally friendly, instead of e.g. the *recyclability* of products. They were also neglecting to take into account that reducing primary fibre and increasing recycled fibre consumption was not environmentally friendly in that energy recovery from bark, lignin, and waste paper would be reduced and fossil fuels would have to be used more, emissions from additional transportation would increase, and deinking sludge would cause damage at landfills.

Interests in emphasizing other aspects of environment-friendliness than recycled fibre content in early 1990s. Recognizing the new definition of "environment-friendliness" by customers, consumers, and authorities, the CEOs, line managers (of mills and divisions [see 7.1.2]), development managers, procurement managers, sales managers (of mills and, later [see 6.3.4], own sales offices), marketing managers (of mills and, later [see 7.1.4], divisions), corporate communications managers, and environmental managers of the Finnish P&P corporations became more interested in communicating and emphasizing to them the other aspects of environment-friendliness than recycled fibre content of products: e.g. recyclability, energy recovery, transportation, and sludge. Again, this would be a translation of staying in business. Also, when it came to packaging boards, the managers became interested in emphasizing that food packaging board produced from recycled board would not be hygienic but would form considerable bacteria and fungi. However, this would be emphasized to competitors, direct customers, and authorities only, since there was the danger of the discussion moving to the general media. This could have led to boycott of all paperboards as packaging materials, which could have been a jackpot for the plastic industry.[685]

Mobilizations. The interests in emphasizing to customers other aspects of environment-friendliness than recycled fibre content of products were strong, as the Finnish P&P corporations, again mostly as a unified front with the industry organization FFIF, stressed other aspects, such as recyclability, energy recovery, transportation, and sludge, in e.g. promotional materials, campaigns, and trade press articles in the early 1990s. The interests were also strong, as they were lobbying, together with Finnish authorities, among authorities of the EC.

Germany and particularly the EU eventually set the regulations on recycled content of paper products at a moderate level, to concern mainly newsprint, and did not extend them in the first place to e.g. SC and LWC magazine papers. To packaging boards, no obligation to use recycled fibre was set by the EU, either. Moreover, the Finnish P&P corporations could rely to some extent on the fact that paper and board production always needed some amount of virgin fibre, as each round of recycling weakened the fibres. Nevertheless, it had become clear that images of environmental friendliness in especially consumers' and customers' minds, created by e.g. environmental organizations, media, or authorities of certain countries with certain trade-political interests, could come to dramatically affect the business of the corporations. There had been

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[682] Laitinen 1991a.

[683] Forsman, Haaparanta, and Heinonen 1993.

[684] Helle, Maarit (1997), *Corporate responses to increasing environmental pressures: Trade, environment, trade-political decision making and strategic marketing planning. Case: the Finnish paper industry.* Pro Gradu Master's Thesis, Department of Marketing, Helsinki School of Economics, Helsinki, Finland. p. 135.
    Linnanen 1995a.

[685] Laiho 1998, pp. 132–133.

quite unpredictable alterations in what was perceived as "environmentally friendly" with respect to paper and board products and mills, particularly around "chlorine" and "recycling".

6.5.3 Criteria for environment-friendliness coming to concern the whole supply chain and the behaviour of individual employees and units

Mobilizations. In summer 1992, United Nation's Conference on Environment and Development (UNCED) was held in Rio de Janeiro, Brazil. A central theme of the meeting was the role of forests in climate change, and forest management and treating methods were discussed. Also, the biodiversity question was on the agenda. As an outcome, the UN Biodiversity Treaty required all signatories to safeguard the "biodiversity" of their own natural environment. In a follow-up meeting in Helsinki in 1993, the European forestry ministers agreed on the principles of "sustainable" forest use and the preservation of biodiversity.

The UNCED meeting created new interaction between environmental organizations who also adopted the theme of the preservation of biodiversity as another definition of environmental friendliness. First, they paid attention mainly to rain forests in the southern hemisphere. But particularly Greenpeace was starting to campaign visibly against forest management practices in northern countries, too, among paper-buying customers in Central Europe. The argument was that the intensive northern forestry threatened biodiversity. The managers of the Finnish P&P corporations started to recognize that there was, again, another definition for environmental friendliness being brought up. In 1992, the industry organization FFIF together with the State launched a communication campaign titled "Plusmetsä" ("Plusforest"), directed mainly towards customers in Central Europe and educating them on recycling issues, which also included some descriptions of Finnish forest management practices[686].

In November 1993, Greenpeace contributed to an article published in an influential German magazine, *Der Spiegel*, which rather critically described how forest corporations in northern countries exploited forests. The article concluded that several species would face extinction unless something would be done about the forestry management and logging methods. The practices in Canada were under the strongest criticism, with photos of harsh clearcuttings of forests. Nevertheless, the major part of the text dealt with Finnish forestry, describing and criticizing practices in Finland but also somewhat associating Finnish forestry methods to the Canadian, harsher ones. At the same time when the article was published, Greenpeace was increasing its campaigning, directly and through media, against the forestry practices of Nordic P&P corporations, including Finnish, Swedish, and Norwegian firms. Moreover, particularly German Greenpeace directed its campaigning to large German paper-buyers.[687]

The managers of the P&P corporations became further convinced that organizations such as Greenpeace lived on using media in trying to continuously redefine what the general public and consumers would perceive as environmentally friendly. Now they were appealing particularly to German consumers' emotions and created an impression of Nordic forests, which they cherished in their minds as mystical fairytale forests, being harshly harvested. Also the role of the German P&P industry as a potential financier of Greenpeace and supporter of its attacks against Nordic industry was suspected.[688]

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[686] Anon. (1992), "Suomalaismetsästä tavaramerkki", *Helsingin Sanomat,* 24.9.1992.
Vainio 1992.

[687] Laitinen, Pentti (1993), "Metsäteollisuus moittii Spiegeliä vääristä rinnastuksista. Kanadalainen avohakkuu söisi 4800 suomalaista metsätilaa", *Helsingin Sanomat*, 29.12.1993.

[688] Hirvikorpi 1995;
Interviews.

Interests in communicating customers about the high standard of Finnish forest management practices since the early 1990s. Recognizing that the criteria for "environment-friendliness", or "environmental responsibility", were transforming again, the CEOs, line managers (of mills and divisions [see 7.1.2]), development managers, procurement managers, sales managers (of mills and, later [see 6.3.4], own sales offices), marketing managers (of mills and, later [see 7.1.4], divisions), corporate communications managers, and environmental managers, as well as corporate responsibility managers (later [see p. 250]), became more interested in communicating to their customers about the high standard of Finnish forest management practices. This would be a translation of staying in business. It would also be a translation of potentially gaining competitive advantage over, for instance, Canadian producers.

Mobilizations. The interests in communicating about the high standard of Finnish forest management practices were strong, as it was increasingly described and stressed to customers, often in joint campaigns of the Finnish P&P industry, that the forests were continuously being taken care of with great expertise; that the yearly forest growth in Finland had for long been clearly larger than the amount of wood logged; that the size of clear-cutting areas were considerably smaller than in e.g. Canadian forestry; that there were extensive forest conservation areas; that the majority of forests were owned by private persons, not the corporations or the State; and that there were extensive public rights of access to forests. Also the improvements done in the previous years were emphasized, e.g. further reductions in the size of clear-cuttings and increases in forest conservation areas.[689]

In any case, affected by the campaigns of the environmental organizations, some of the largest customers of Finnish P&P corporations, especially large German publishers, begun to demand paper made of wood from "well-managed" forests and particularly not originating from "clear-cut" forests or "old-growth forests". Also some important British customers started to present demands concerning the standard of forest management. In effect, the customers were sensing the risk of consumers potentially starting to buy less of their products, such as newspapers and magazines, in case the products, or actually the supply chain behind them, would be perceived as non-environmentally-friendly in terms of bad forest management of the wood used as raw material.

At the same time, initiatives emerged from environmental organizations and other instances, such as governments, to develop and introduce forest-management certificates for the use of the P&P corporations. The Forest Stewardship Council (FSC), a Mexico-based independent organization promoting environmentally appropriate, socially beneficial, and economically viable management of the world's forests was the first party to come up with a suggestion for forest certification criteria in 1994. In 1995, an association of major paper-buying companies, the WWF 1995 Group, was established, which would support FSC certification. The International Standardization Organization (ISO) was developing its own forest certification system as part of the wider ISO 14 000 Environmental Management Standard and the EU its own as part of its Eco Management and Audit Scheme (EMAS).

The negotiations on the certification systems having been set out, in autumn 1995 German television showed a reportage, again with contributions from Greenpeace, on clear-cuttings in the Karelian republic, Russia. The name of the Finnish P&P corporation Enso came up in the critical report. This was the first time Greenpeace made a strong attack against one particular Finnish P&P corporation.[690] Influencing the German paper industry and publishers, Greenpeace even repeated the criticism towards the practices of the Finnish P&P corporations and particularly Enso in Karelia in a leaflet to be delivered in an issue of 7,7 million to German

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689   Vainio 1992.
690   Virtanen, Matti (1995) , "Saksan paperitukkurit eivät usko käänteeseen", *Helsingin Sanomat*, 12.12.1995.

consumers between popular magazines in 1996[691]. These activities made it clear that customers could become concerned about the environmental responsibility of a particular P&P corporation and its activities, beyond the environmental friendliness of its products and production technologies of its mills, as well as beyond the environmentally responsible practices of the Finnish P&P industry in general. Furthermore, it started to be clear how it was possible that the practices of any individual unit of the corporation and even those of individual employees could be claimed to be environmentally irresponsible, e.g. in choosing from which kinds of forests wood would be procured and/or harvested and how.

6.5.4 No unequivocal measures for the new criteria of environmental responsibility

Interests in participating in negotiations concerning forest management certification systems since the mid 1990s. In the mid 1990s, the CEOs, line managers, development managers, procurement managers, sales managers, marketing managers, corporate communications managers, environmental managers, as well as corporate responsibility managers (later [see p. 250]), became more interested in participating in national and international negotiations concerning the content of forest management systems with industry organizations, the representatives of forest-owners, environmental organizations, governments, and customers. This would be a translation of having forest certification, when introduced, not create large cost burdens or make wood availability and wood price problems much worse. Further, the managers were interested in participating in negotiations concerning forest management systems other than FSC. This would be a translation of introducing in e.g. Finland, where the majority of forests were owned by private persons, a forest certification system which would create less cost burden and worsen wood availability and wood price problems less than FSC, which would be better suited to countries where forests were owned by corporations or the State. Moreover, participating in the negotiations would be a translation of communicating the corporation's environmentally friendly or responsible way of working.

Mobilizations. The interests in participating in negotiations concerning forest management certification systems were strong, as the corporations participated in FSC negotiations since the mid 1990s. On the other hand, the interests in participating in negotiations concerning forest management systems other than FSC were strong, as the corporations took part in starting national and international projects to develop other forest certification systems than the FSC. The Finnish industry and forest owners developed the Finnish Forest Certification System (FFCS)[692], which would be integrated to the Pan European Forest Certification (PEFC) initiated by Finnish, Norwegian, Swedish, Austrian, and German forest-owners in 1998. These actors considered FSC certification procedures inappropriate for the special characteristics of forest-ownership in their countries, where the majority of forests were owned by private persons. Since the mid 1990s, within different projects, the P&P corporations, industry organizations, forest-owners, environmental organizations, governments, and customers would be negotiating about the appropriate criteria for forest-management certificates.[693]

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[691] Jämsä, Hanna (1996b), "Enso saa kritiikkiä Cepiprintin lehdessä", *Kauppalehti,* 14.6.1996.
Jämsä, Hanna (1996a), "Aloite pois greenpeacelta", *Kauppalehti,* 14.6.1996.

[692] Laitinen, Pentti (1997c), "Suomi voitti Ruotsin selvästi metsäsertifioinnin ensierässä. Yksimielisyys kestävän metsänhoidon ehdoista voi rauhoittaa metsäriitoja", *Helsingin Sanomat*, 28.4.1997.

[693] Interviews (e.g. with Metsävirta 8.8.2005);
Karismo, Anna (1995), "Metsän ekomerkeistä alkoi kova vääntö. Ympäristöväki ja metsäala eri leireissä", *Helsingin Sanomat*, 24.10.1995.
Pesonen, Mauno (1996) , "Monimuotoinen metsätalous lisää metsäteollisuuden Suomi-riskiä", *Helsingin Sanomat,* 27.2.1996.
Anon. (b) (1999), "Auditing process will be transparent and open", *Metsä-Serla News,* Summer, pp. 12–13.

Basically, the negotiations were about what environmental friendliness or environmental responsibility would mean in terms of good, responsible, and sustainable forest management. It became clear that there could be endless alternative definitions brought up for this by, for instance, environmental organizations. Unlike the amount of chlorine used in pulp bleaching or ending up in paper products or the amount of recycled fibre in the products, good forest management could not be measured in a very unequivocal way. What would such "old-growth forest" be exactly like that should be preserved? What would be such forest of "high biodiversity" be exactly like, that should be preserved? What kind of forest management would be "exploitation" of forests? What exactly would make the harvesting of a forest "clear-cutting"? How many "old trees" should be left standing per harvested hectare and what exactly would be an "old tree"? And so on.

Nevertheless, since the mid 1990s, customers increasingly demanded or stated that they would soon demand to see certificates of environmental and forest-management activities. Some of the certificates concerned more *products* and the management of the specific forests from which the wood for the products was procured (FSC and PEFC), whereas some of them concerned more the standard of environmental management, including forest management, of the *corporations*, as well as their different subunits, such as mills (EMAS and ISO). In any case, all these certificates signaled to customers that the products to which they were associated were produced by a corporation with environmentally responsible activities in its supply chain. Environmental organizations campaigned particularly for the FSC certification. Due to this, many customers preferred FSC. But still, most consented with other certificates, such as FFCS or PEFC[694]. Many customers also started to be somewhat critical towards FSC to the extent that it meant that the P&P industry and forest-owners in many countries felt obliged to develop their own certificates – this would result in a myriad of different certificates, difficult to explain to end-customers and possibly raising prices of products[695].

Interests in obtaining forest and environmental management certificates since the late 1990s. In the late 1990s, the CEOs, line managers, development managers, procurement managers, sales managers, marketing managers, corporate communications managers, environmental managers, as well as corporate responsibility managers (later [see p. 250]), became more interested in obtaining some or all of the forest and environmental management certificates for the corporations, their mills, and products, as soon as the criteria for the certificates became to some extent fixed by the end of 1990 and the beginning of 2000s[696]. This would be a translation of staying in business. It would also be a translation of potentially gaining competitive advantage over producers who would not have the ability or willingness to obtain the certificates. Further, the managers became more interested in introducing own corporate certificates stating that the wood used in the products was supplied from forests with sustainable forest management practices, particularly when it came to wood imported e.g. from Russia[697]. And they were interested in introducing ISO and/or EMAS certified environmental management systems and practices at the corporate and mill level, usually combining them with

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[694] Virtanen, Matti (1996), "Saksan paperitehtaat ja kustantajat sopivat yhteisetsä eko-ohjelmasta", *Helsingin Sanomat*, 20.3.1996.
Karismo, Anna (1997), "Suomen metsänhoidon normit eivät riitä Hollannin painotaloille. Paperinostajat tutustuivat Pohjois-Karjalan metsiin", *Helsingin Sanomat*, 3.10.1997.
Laitinen, Pentti (1998c), "Saksalaiset kustantajat haluavat metsänkäsittelyyn Eurooppa-säännöt", *Helsingin Sanomat*, 19.11.1998.
Anon. (d) (1999), "Postimyyntijätti Otto Versand ei halua useita ekomerkkejä", *Helsingin Sanomat*, 18.2.1999.
Lassila, Anni (1999), "Rautakauppajätti B6Q ntoi periksi suomalaispuulle. Yhtiö hyväksyy toistaiseksi metsäteollisuuden oman ympäristötodistuksen", *Helsingin Sanomat*, 5.8.1999.

[695] Anon. (d) 1999;
Anon. (c) (1998), "Ruotsille tuli hätä ekomerkistä", *Helsingin Sanomat*, 27.8.1998.

[696] Makkonen, Jyri (1999), "Suomen kansallisomaisuus ulkopuolisten syyniin", *Kauppalehti*, 27.10.1999.
Virtanen, Hannu (1999), "Standardit tukevat ympäristövastuuta", *UPM-Kymmene Watch*, 2, pp. 16–18.
UPM-Kymmene, Press Release, 18.4.1997, 21.10.2000.

[697] Iivonen, Jyrki (1996b), "UPM-Kymmene ja Enso antavat asiakkailleen sitoumuksen tuontipuun alkuperästä", *Helsingin Sanomat*, 27.4.1996.
Kettunen 2002, p. 15.

existing quality management systems[698]. All these would be translations of staying in business and of potentially gaining competitive advantage over some producers, e.g. from outside Scandinavia or Central and Western Europe. They would guarantee the environmental responsibility of the entire supply chain to the customers, instead of being "eco-signs" associated merely with the chemical or fibre type composition of individual products or to technologies of the mills producing them – as had been the case when environment-friendliness had been defined as the "chlorine-free" or "recycling".

[management interest (in corporate branding) mI#13]

Communicating an image of the corporation's behaviour as environmentally responsible

Interests in communicating an image of the corporation's behaviour as environmentally responsible since mid 1990s. All in all, in the late 1990s, the CEOs, line managers (of mills and divisions [see 7.1.2]), development managers, procurement managers, sales managers, marketing managers (of mills and, later [see 7.1.4], divisions), corporate communications managers, environmental managers, as well corporate responsibility managers (later [see p. 250]), of the Finnish P&P corporations became increasingly interested in communicating to direct customers, and also to media, the general public or consumers, investors, employees, environmental organizations, authorities, and other external stakeholders, an image of the behaviour of the corporation being environmentally responsible. They had recognized that the definitions of what would be perceived by them as environmental responsibility would be likely to change continuously, mostly due to the activity of environmental organizations and media[699]. In the late 1990s, beyond those related to e.g. chlorine, recycling, and forest management, there would already be new emerging definitions of environmental responsibility, again, such as closed circulation of waters in mills[700], elimination of solid waste[701], more limited use of non-renewable raw materials such as fossil fuels, chalk, and china clay, more limited use of fuels generating greenhouse gases, more limited use of energy in general[702], and giving up on nuclear energy[703] – even giving up on cutting trees altogether.

Communicating an image of the corporation's behaviour as environmentally responsible would be a translation of staying in business. If especially the consumers or the media obtained an image of the corporation behaving in an environmentally irresponsible way, according to any criteria, staying in business would be threatened. The consumers could reduce their buying of consumer products which used paper or board products produced by the corporation. Furthermore, the direct customers of the corporation could consider the image among even a small number of consumers or among media a risk and reduce their buying of the corporation's products. Investors, in turn, could consider this a risk and be less attracted to invest in the corporation. And authorities could be affected by the perceptions

698   Laitinen, Pentti (1997b), "Metsäteollisuuden ympäristöjohtaminen kootaan ISO:n pohjalle", *Helsingin Sanomat*, 9.1.1997.
      Laitinen, Pentti (1997a), "Iso-standardi tunkee tehtaista metänhoidon tason mittaukseen", *Helsingin Sanomat*, 12.1.1997.
      Koski, Eeva-Maria (1998), *Metsäteollisuuden ensikokemukset ympäristöasioiden hallintajärjestelmistä*. Pro Gradu Master's Thesis, Department of Management, Helsinki School of Economics, Helsinki, Finland.
699   Interviews (e.g. with Metsävirta 8.8.2005; Taukojärvi 30.9.2005);
      Silverang, Keith (1998), "Learning to play the image game", *Insight,* Summer, pp. 14–17.
700   Hirvikorpi 1995; Kettunen 2002, pp. 83–84.
701   Anon. (1995), "Enocell oy:n ympäristönsuojelupäällikkö. Vesien tutkimiseen käytetään liikaa rahaa", *Helsingin Sanomat*, 17.6.1995.
702   Vainio, Riitta (1997), "Uusi elinkaaritutkimus ennakoi luonnon köyhtymistä. Fossiilisten polttoaineiden arvioidaan lisäävän lähivuosina kasvihuonekaasuja 40 prosenttia", *Helsingin Sanomat*, 18.3.1997.
703   Kuvaja, Sari (1999), "Kuluttajien toiveet pakottavat metsäteollisuuden muuttumaan. Verkottuneet kansalaisjärjestöt pitävät teollisuuden varpaillaan" (opinion), *Helsingin Sanomat*, 4.1.1999.

of the general public and tighten regulations concerning the business of the corporations. Also, if the general public as potential employees obtained an image of the corporation behaving in an environmentally irresponsible way, they could be less interested in working for the corporation.

On the other hand, communicating an image of the corporation's behaviour as environmentally responsible would be a translation of potentially gaining a competitive advantage. If particularly the general public and the media had an image of the corporation behaving in an environmentally responsible way, the corporation could have some advantage over some other corporations. The general public would be more willing to buy the products and work for the corporation, and the risks perceived by direct customers and investors would be small, as well as the influence on authorities.[704]

> **Enso CEO, Jukka Härmälä, *in 1996*[705]:**
> In the middle of the global media and image fight, we in this global industry have to be more skillful in actively and effectively communicating our ways of working in the ways the consumer markets require from us.

Further, the managers became more interested in communicating about such environmental policies which the corporation had and about such ways of working which it had that would accord to current definitions of and criteria for environmental responsibility, as well as about how they would accord to them. Communication would be done directly to direct customers to reduce the risk they perceived about potential images of the general public, as well as to investors. Communication would be done to and through media, for the media would affect the images of the general public as consumers and potential employees the most. Some communication would also be directed towards environmental organizations, even though they could in any case be willing to create an image of the corporations as environmentally irresponsible. Even further, the managers became more interested in communicating honestly, openly, and transparently. This would be a particular translation of maintaining the credibility of all communication by the corporation, as it would minimize the risk of the corporation obtaining an image of being prone to lies, cover-ups and distorting facts.

Nevertheless, the managers became further interested also in affecting the definitions of and criteria for environmental responsibility to some extent by communication. Careful argumentation explicitly or implicitly questioning e.g. the definitions brought up by environmental organizations could be communicated. This would make the corporations less vulnerable to new, unreasonable, definitions brought up by the environmental organizations and make it easier to create an image of the corporation's behaviour as being environmentally responsible.[706]

Mobilizations. The interests in communicating about such environmental policies which the corporation had and about such ways of working which it had that would accord to current definitions of and criteria for environmental responsibility, as well as about how they would accord to them, were strong in more and more instances in the late 1990s. They were strong, as written communications materials were increasingly produced in the late 1990s to describe the policies and ways of working, both by the corporations on their own and in cooperation with the industry organization FFIF. Brochures dealing with these matters were increasingly produced, the publishing of special, extensive annual environmental reports was initiated,

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Haukkasalo, Arja (2000), "UPM-Kymmene ja Stora Enso luottavaisia. Ydinvoima ei vie paperin ostajia", *Tekniikka&Talous,* 41, pp. 28–29.

[704] Interviews (e.g. with Metsävirta 8.8.2005; Taukojärvi 30.9.2005; Granholm 23.3.2005).

[705] Jaakkola, Juha (1996), "Metsäjohtaja uskoo nyt ekologiaan. Jukka Härmälä. Saksalaisille puut ovat kuin eläviä villiolentoja", *Helsingin Sanomat,* 26.3.1996.

[706] Interviews (e.g. with Metsävirta 8.8.2005; Taukojärvi 30.9.2005; Granholm 23.3.2005).

and general annual reports were made to include summaries of those policies and ways of working. The interests were also strong, as salespeople were made to inform customers about the policies and ways of working. Especially, information about certificates for environmental management and forest management and their use was emphasized in association with communication about products, mills, and the corporation. Decisions on the preservation of specific forest areas were also communicated.[707]

Nevertheless, communicating the corporation's policies and ways of working was not just done by way of written materials and salespeople. The interests were also strong, as press releases and the top managers and particularly newly recruited environmental managers increasingly emphasized and told about the environmentally responsible policies and ways of working directly in the media. And the interests were strong, as customers, reporters, even foreign youngsters and politicians were increasingly brought to visit Finland and see the ways of working in practice[708].

Finally, interests in affecting the actual definitions of and criteria for environmental responsibility to some extent by corporate communications were also increasingly strong, in much of the communication through e.g. the above means in the late 1990s. For instance, the interests were strong, as the benefits of practices outlined by one certification system over another in terms of the environment were emphasized or the corporation's own interpretations of the criteria for what would count as an old-growth forest or a large clear-cutting were presented. The interests were strong, as old criteria for environmental responsibility, such as emissions to air, which would still be high in e.g. Germany, chlorine or recycling, or newer criteria, such as closed circulation of water in mills or reduced emissions from transportation, were highlighted, stressing that their importance had been neglected by e.g. environmental organizations[709]. And the interests were strong, as cooperation and negotiations with environmental organizations and consenting to their specific requests was communicated, particularly after the corporations had been accused of environmentally irresponsible behaviour, as if it was, *per se,* one criterion for environmental responsibility. This was done even if the negotiations *per se* were often known to be meaningless, since the environmental organizations would have their own interests of deliberately extending and publicizing conflicts[710]. For instance, after the reportage on German television resulted in customer inquiries, Enso communicated that it stopped purchasing wood in Russian Karelia in such areas which were considered by environmental organizations as worth preserving in any way and also started, in cooperation with the organizations, to map what exactly those areas would be[711].

[707]   Luoma, Jukka (1993), "Saksalaiskustantajat toivovat lisää tietoa hakkuumenetelmistä. Suuret kustantamot eivät silti usko avohakkuutodistusten vaatimuksiin", *Helsingin Sanomat,* 30.11.1993.
Marsio, Riitta (1994), "Mielikuvat aseina metsätaistossa", *Enso-Gutzeitin Henkilökunnanlehti,* 1, pp. 12–14.
Anon. (b) (1998), "Enso esittelee ympäristövuosikertomuksensa Saksassa alan lehdille", *Taloussanomat,* 15.4.1998.
Lauhaluoma, Virpi (1999), *Building and managing corporate image. Case: Stora Enso.* Pro Gradu Master's Thesis, Department of Marketing, Helsinki School of Economics, Helsinki, Finland. p. 69.
Porras, Riitta (1998), *Environmental communication in the Finnish forest industry companies.* Pro Gradu Master's Thesis, Department of Marketing, Helsinki School of Economics, Helsinki, Finland.
Koski 1998, p. 59

[708]   Interviews (e.g. with Rehn 23.8.2005);
Mannila, Johanna (1993) , "Metsäyhtiöt yrittävät parantaa Suomen metsänhoidon mainetta. Teollisuus kutsuu ulkomaisia lehtimiehiä tutustumaan Suomen metsiin", *Helsingin Sanomat,* 12.9.1993.
Hartikainen, Olavi (1996), "Enso vei saksalaisnuoria Savossa hakkuutyömaalle", *Helsingin Sanomat,* 14.2.1996.
Tolkki, Tommi (1996), "Brax vertasi Niinistön yya-arviota stalinistiasenteisiin. EU-parlamentin vihreä ryhmä aloitti kokouksensa Helsingissä", *Helsingin Sanomat,* 15.10.1996.

[709]   Interviews (e.g. with Metsävirta 8.8.2005; Taukojärvi 30.9.2005; Granholm 23.3.2005);
Hirvikorpi 1995; Laitinen 1993;
Lassila, Anni (1997b), "Metsäteollisuus vaatii kilpailijamaiden saastepäästöjä julkisiksi", *Helsingin Sanomat,* 13.5.1997.

[710]   Interviews (e.g. with Metsävirta 8.8.2005; Taukojärvi 30.9.2005; Granholm 23.3.2005);
Hirvikorpi 1995.

[711]   Heinonen, Jukka (1996), "Enso rajoittaa puunostoja Kuusamon yhteismetsästä", *Helsingin Sanomat,* 8.6.1996.
Iivonen, Jyrki (1996a), "Enso ei aio ostaa enää puuta Itä-Karjalan kiistametsistä", *Helsingin Sanomat,* 9.10.1996.
Anon. (b) (2000), "Ympäristöjärjestöt mukaan Pääjärven neuvotteluihin", *Helsingin Sanomat,* 1.6.2000.

> **Enso ceputy CEO, Juhani Pohjolainen, *in 1996*:**
> Enso does not start purchasing in such new areas any more which we know are considered by someone as interesting enough to one day perhaps be preserved…
> We have avoided the sensitive zone around the [Russian] border and searched for areas which no environmental organization or authority has demanded to be preserved…
> We do not want to put ourselves in harm's way. If the zone is "full of mines", you should not walk there.

[management interest (in corporate branding) mI#14]
Having employees adopt a way of working with an environmentally responsible attitude

Interests in having employees adopt a way of working with an environmentally responsible attitude since the mid 1990s. In the late 1990s, the CEOs, line managers (of mills and divisions [see 7.1.2]), development managers, procurement managers, sales managers, marketing managers (of mills and, later [see 7.1.4], divisions), corporate communications managers, environmental managers, as well as corporate responsibility managers (later [see p. 250]), as well as human resources managers, were increasingly interested in having employees adopt a way of working with an environmentally responsible attitude. This would also be a translation of staying in business and potentially gaining some competitive advantage. The managers had recognized that it was possible that due to the actions of any individual unit of the corporation and even those of individual employees, the corporation could be accused of being environmentally irresponsible. Particularly, there were new criteria for environmental responsibility related to such forest management and wood procurement practices which were, in practice, under the control of e.g. individual harvesters and wood purchasing units. Harvesters would exercise significant consideration and discretion in making decisions about, for instance, what forests would be left totally untouched, what part of certain forests would be left unharvested, how many and what trees would be left standing, what kinds of drains would be made, and so on. Wood purchasers would, on the other hand, exercise significant consideration and discretion in making decisions on, for instance, from what forests or forest areas wood would not be purchased.[712]

Although certain guidelines for decision-making could be given, the decisions and the following actions themselves could not be controlled very well. It was apparent that a lot would depend on the consideration and discretion of the individual employees and units, especially since the decisions could be made by individuals on their own in the middle of nowhere, such as in the forests of Karelia. The whole corporation could be accused, by e.g. environmental groups and media, of being environmentally irresponsible on the basis of these individuals' decisions and actions. As far as the earlier criteria for environmental responsibility were concerned, e.g. use of chlorine or recycled fibre in products and production processes, there would not have been similar problems of having to rely day-to-day on individuals' consideration and discretion. Or actually there had been some, but only to a small extent: for instance, in relation to water protection, some employees and managers at mills had sometimes tended to be negligent of policies and let extra wastewaters or poisons slip into the environment or lied about actual emissions (see also section 5.5). These kinds of occurrences would also still be considered possible and increasingly serious.[713]

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[712] Interviews (e.g. with Metsävirta 8.8.2005; Taukojärvi 30.9.2005; Granholm 23.3.2005; Kettunen 10.3.2005); Malmivaara, Hanna (2004), "Vastuullisuus ohjaa yrityksen toimintaa", *M-Real Insight,* 22, pp. 16–18. Virtanen 1999.

[713] Interviews (e.g. with Metsävirta 8.8.2005; Taukojärvi 30.9.2005; Granholm 23.3.2005; Kettunen 10.3.2005).

Having the employees adopt a way of working with an environmentally responsible attitude would mean having the employees consider more actively and carefully in their decision-making whether certain actions were environmentally responsible, in terms of e.g. harvesting certain trees or forests in certain way, buying wood from certain forests or from forests seemingly managed in certain way. In case the consideration appeared difficult, the employees should seek second opinions or find out more information about e.g. certain forests or how they were managed and thus risk the corporation's image less by not making hasty decisions.[714]

Mobilizations. The management interests in having employees adopt a way of working with an environmentally responsible attitude were strong, as training was increasingly arranged and training materials and guidelines were distributed to employees in the late 1990s, particularly related to environmental management and forest management systems and certificates and the policies and practices they outlined.[715] The training and the materials would educate and inform the employees of what environmentally responsible practices were but also stress the importance of an environmentally responsible attitude in their ways of working, or the role of more active and careful consideration about environmental responsibility in decision-making and acting – and their importance to the corporation staying in business. It was also increasingly stressed how important it would be to seek second opinions and more information in case of difficulties in knowing what environmental responsibility in a given situation meant.[716]

6.5.5 The corporation accused of socially irresponsible behaviour in developing countries, No unequivocal measures, and Behaviour of individual employees and units

Mobilizations. Soon after UPM-Kymmene had announced its cooperation in fine paper sales and marketing and production with APRIL in fall 1997 (see section 6.4.7), various environmental organizations, including Friends of the Earth and Greenpeace, sent a letter to the CEO of the corporation containing criticism and accusations concerning the cooperation. APRIL's lack of environmental responsibility in forest management practices in relation to its pulp production in Indonesia was criticized, especially its practicing of clear-cuttings in "natural forests", even in "rain forests", but also in replacing natural forests with plantations of few species. It was also accused of having polluted a local river and of having deliberately started forest fires with forest exploitation interests. Beyond the lack of environmental responsibility, APRIL was also criticized for not being socially responsible in failing to "respect local land ownership rights" in expropriating land owned by local people and in failing to respect "basic norms of working life" when it comes to e.g. working conditions and worker protection. UPM-Kymmene, in turn, was accused of being environmentally and socially irresponsible in cooperating with APRIL and in doing business with the Indonesian government, which was a military dictatorship that trampled human rights and with a company – APRIL – supported by such a government. The organizations also started to present the accusations in Finnish and international media and directly to UPM-Kymmene's customers. Even investors were presented with the accusations, for instance at the

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[714] Ibid.
[715] Ibid.
        Pulli, Henriikka (1997), "Ei painavalla koneella ennenkään rantaan ajettu", *Kauppalehti*, 5.11.1997.
[716] Interviews (e.g. with Metsävirta 8.8.2005; Taukojärvi 30.9.2005; Granholm 23.3.2005).

General Meeting of shareholders of UPM-Kymmene in the spring of 1998, the environmental activists having purchased a few shares for themselves to be able to attend.[717]

At the same time, around 1997–1998, somewhat similar criticisms of the lack of environmental and social responsibility were presented by these organizations concerning e.g. Enso's investments in Indonesia and in Thailand and in general the projects that Finnish P&P corporations had in the developing countries of Southeast Asia and South America[718]. Further, beyond the earlier accusations of lacking environmental responsibility in forest management and wood procurement in Russian Karelia, the corporations were, to some extent, accused also of lacking social responsibility. They were accused of supporting the grey economy, corruption, and financial criminality in Russia, and, especially, in buying wood from and contributing to the exploitation of natural forests owned by local people.[719]

Accordingly, it became clear that "environmentally responsible" behaviour was no longer enough, but also "socially responsible" behaviour, in particular, or "responsible" behaviour, in general, was demanded. And as for "environmentally responsible" behaviour, the environmental organizations and media would continuously bring up new definitions and criteria and criticize the corporations on these.

Moreover, at about the same time in 1998–1999, international corporations around the world were increasingly starting to develop guidelines and policies for their environmentally and socially responsible or sustainable behaviour. Particularly when it came to the behaviour in terms of respecting human rights, the policies often relied on the United Nations' (UN) Universal Declaration of Human Rights, outlining these rights and encouraging every individual and enterprise to take responsibility for them. When it comes to the behaviour in terms of respecting basic norms of working life, they often relied on the International Labour Organization's (ILO) declaration on fundamental principles and rights at work, defining them with respect to e.g. ensuring health and safety at work, freedom of association and the right to collective bargaining, abolition of child labour, and elimination of discrimination in the workplace[720]. Having developed the guidelines and policies, corporations were increasingly developing their reporting on their commitment to and activities related to these. Customers, as well as investors and analysts, were increasingly inquiring about these from the corporations.

Actual investment and mutual funds investing in "ethical" or "responsible" corporations were also emerging[721]. Moreover, in 1999, Dow Jones published an index listing and assessing corporations according to "corporate sustainability" or "corporate responsibility". Besides respecting human rights and the norms of working life, Dow Jones would assess e.g. corporations' adherence to ethical business conduct and open and transparent communication, as well as to corporate citizenship, in the form of responsible behaviour at local levels and support to sports, arts, and science. Stora Enso managed to top the index in the base industry sector in 1999. Next year it dropped down, as it had not yet defined clear written principles and policies for sustainable development.[722]

[717] Helsingin Sanomat, 17.9.1997; Kauppalehti 13.11.1997, 24.3.1998.
Sipilä, Annamari (1997a), "Sumatran jykeviä puita matkalla sademetsästä sellutehtaalle", *Helsingin Sanomat,* 9.12.1997.
Nikunen, Kaarina (1997), "UPM-Kymmenelle jyrkkä tuomio indonesialaisilta aktivisteilta", *Helsingin Sanomat,* 12.12.1997.
Nousiainen, Anu (1997), "Sumatra odottaa pelastajaa sateista. UPM-Kymmenen yhteistyökumppani pääsi mustalta listalta", *Helsingin Sanomat,* 5.10.1997.
Vahtera, Antti (1998), Suomen metsäteollisuuden tunkeutuminen sademetsiin korostaa keskustelun tarvetta, *Helsingin Sanomat,* 12.9.1998.
Laitinen, Pentti (1998a), "April sitoutuu Indonesiassa laajamittaiseen ympäristöohjelmaan". Sgs-luokituslaitos osoitti ekologian ja työturvallisuuden puutteita", *Helsingin Sanomat,* 24.4.1998.
Kuvaja 1999; Porkka 1999.
[718] Järventaus, Kaarina (1998), "Kuuroina tunnelissa", *Helsingin Sanomat,* 25.3.1998.
Kuvaja, Sari, Marko Ulvila and Thomas Wallgren (eds.) (1998), *Tropiikin vihreä kulta. Pohjolan pojat Kaakkois-Aasian sademetsissä,* Helsinki, Finland: Like.
[719] Kuvaja, Sari (1998), "Metsäyhtiöt tarvitsevat arvoherkkyyttä" (opinion), *Helsingin Sanomat,* 20.4.1998.
[720] Kause, Pilvikki (2000), "Eettinen yritys miellyttää kuluttajaa", *Helsingin Sanomat,* 10.7.2000.
[721] Tuohinen, Petteri (1998), "Kettingistä osakesalkkuun", *Helsingin Sanomat,* 26.3.1998.
[722] Kuparinen, Tuulikki (2002), "Stora Enso laatii yhteiskuntavastuun ohjelmaa koko henkilöstön voimalla", *Taloussanomat,* 19.2.2002.

Interests in defining principles and policies for responsible behaviour since the end of the 1990s. At the end of 1990s and in the early 2000s, the CEOs, line managers, development managers, procurement managers, sales managers, marketing managers, corporate communications managers, environmental managers, corporate responsibility managers (later [see p. 250]), as well as financial managers and investor relations managers, became more interested in defining principles and policies for the responsible behaviour of their corporation. This would be a translation of staying in business and of potentially gaining competitive advantage over producers not having the principles or policies defined or not enjoying an image of having responsible ways of working. It would also be a translation of directly increasing the demand for the corporations' shares among investment and mutual funds investing in "ethical" or "responsible" corporations. They would make investment decisions on the basis of e.g. Dow Jones' indices and in the index assessments, defined guidelines and policies for responsible behaviour were important criteria. Moreover, defining principles and policies for the responsible behaviour of their corporation would be a translation of communicating an image of the environmentally and socially responsible ways of working of the corporation.[723]

Mobilizations. The management interests in defining principles and policies for responsible behaviour of their corporation were strong, as the corporations, at the end of the 1990s and in the early 2000s had such principles and policies, or ethical codes of conduct, defined.[724] For instance, Stora Enso started a project of defining them after dropping down in Dow Jones's index of corporate sustainability in 2000[725] and UPM-Kymmene in some measure right after the APRIL criticism had started in 1998 and more extensively at the turn of the century[726]. Metsä-Serla/M-Real also defined its principles and policies in the early 2000s.[727]

> *UPM-Kymmene manager, in 2000[728]:*
> It's about a wider development trend. The activity of civic organizations has made it topical also for us to document our principles [for responsible/ethical behaviour]

[management interest (in corporate branding) mI#13 *(continued)*]

Communicating an image of the corporation's behaviour as environmentally *and socially* responsible

Interests in communicating an image of the corporation's behaviour as environmentally and socially responsible since the end of the 1990s. In the late 1990s and early 2000s, the CEOs, line managers, development managers, procurement managers, sales managers, marketing managers, corporate communications managers, environmental managers, corporate responsibility managers (later [see p. 250]), financial managers, and investor relations managers became more interested in communicating to direct customers, and also to media, the general public or consumers, investors, employees, environmental organizations, authorities, and other external stakeholders an image of the behaviour of the corporation as being not only environmentally but also socially, or generally, responsible.

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[723] Interviews (e.g. with Granholm 23.3.2005; Metsävirta 8.8.2005; Vainio 22.3.2005).

[724] Ibid.
Nilsen, Hannu (2002), "Yrityksen yhteiskunnallinen vastuu" (editorial), *UPM-Kymmene Watch,* 3, p. 3.
Dammert, Anna (2004b), "Etiikka & vastuu", *Staffin Stora Enso,* Maaliskuu, pp. 27–31.
Stora Enso, Press Release, 12.12.2001.

[725] Kuparinen 2002; Dammert 2004.

[726] Venäläinen, Riikka (1998), "Kun mammona kohtaa moraalin, ongelmia ei ole – eihän?", *Helsingin Sanomat,* 28.6.1998.
Kause 2000.

[727] Malmivaara 2004.

They had recognized that the demands and criteria for "environmental responsibility" had transformed into those for "responsibility" in general. As with environmental responsibility, they had recognized that the definitions of what would be perceived as responsible behaviour in general would be likely to change continuously, mostly due to the activity of non-governmental organizations and media: not using "chlorine" in production; using "recycled paper and board"; "managing forests well" and purchasing wood from "well-managed forests"; refraining from "cutting rainforests" or "natural forests"; respecting "local land ownership rights"; respecting "basic norms of working life"; refraining from doing business with "military dictatorship governments" or governments "trampling human rights" or with companies supported by such governments; preventing "grey economy", "corruption", and "financial criminality"; not "exploiting natural forests owned by local people" or "being an essential part of their living environment"; etc. Further, the managers became more interested in communicating about such social, besides environmental, policies which the corporation had and about such ways of working which it had that would accord to current definitions of and criteria for social, besides environmental, responsibility, as well as about how they would accord to them. Nevertheless, they also became more interested in affecting the definitions of and criteria for responsibility to some extent by communication.[729]

Mobilizations. The management interests in communicating about such social and environmental policies which the corporation had and about such ways of working which it had that would accord to current definitions of and criteria for social and environmental responsibility, as well as about how they would accord to them, were strong in many instances at the end of the 1990s and in the early 2000s. They were strong, as written communications materials were increasingly produced to present the policies and ways of working. They were strong, as in the early 2000s, the transformation of annual environmental reports into annual responsibility reports was planned and as general annual reports were made to inform about those same aspects[730]. They were strong also, as e.g. salespeople and investor relations were taught to inform customers and investors about the policies and ways of working. Especially, information concerning memberships in sustainability indexes was emphasized in corporate communications[731]. In addition to describing specific policies and ways of working and certificates, in the form of text and figures, it was increasingly emphasized, at a general level, that "the corporation was committed to responsible ways of working".

Nevertheless, again, communicating the corporation's policies and ways of working was not only done by way of written materials, salespeople, and investor relations people. The interests in communicating about such social and environmental policies which the corporation had and about such ways of working which it had that would accord to current definitions of and criteria for social and environmental responsibility, as well as about how they would accord to them, were strong also, as press releases and the top managers and particular newly recruited corporate responsibility managers [732] and environmental responsibility managers increasingly emphasized and presented the policies and ways of working directly in the media.

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[728] Kause 2000.

[729] Interviews (e.g. with Granholm 23.3.2005; Metsävirta 8.8.2005; Vainio 22.3.2005);
        Dammert 2004b.

[730] Liiten, Marjukka (2002), "Yritysten arvot puntariin. Enron-skandaali paljasti kuilun yhtiön arvojen ja tekojen välillä", *Helsingin Sanomat,* 17.2.2002.
        Nilsen 2002.

[731] Könnölä, Totti (2001), "Yritysten vastuullisuuden arviointia kannattaa kehittää", Mielipide, *Helsingin Sanomat,* 8.8.2001.

[732] Liiten 2002.

Finally, interests in affecting the actual definitions of and criteria for responsibility to some extent through corporate communications were also increasingly strong in much of the communication through e.g. the above instances. Definitions of and criteria for responsibility were increasingly attempted to be changed. For instance, the interests were strong, as it could be emphasized that without the corporations taking part in projects in Southeast Asia or South America, the local corporations there would not learn to protect their workers in a good way or manage their forests in a good way. Moreover, again, cooperation and negotiations with environmental and human rights organizations and consenting to their specific requests could be mentioned in corporate communications, as if it was, *per se,* one criteria for responsibility, particularly after the corporations had been accused of irresponsible behaviour[733]. For instance, after the criticism concerning the cooperation with APRIL, UPM-Kymmene emphasized that it was cooperating with environmental organizations to help improve the situation in Indonesia[734]. The interests were even somewhat strong, as UPM-Kymmene eventually decided to end the cooperation with APRIL in 1999[735].

[management interest (in corporate branding) mI#14 *(continued)*]
Having employees adopt a way of working with an environmentally *and socially* responsible attitude

Interests in having employees adopt a way of working with an environmentally and socially responsible attitude since the early 2000s. By the early 2000s, the CEOs, line managers, development managers, procurement managers, sales managers, marketing managers, corporate communications managers, environmental managers, corporate responsibility managers, financial managers, and investor relations managers, as well as human resources managers, became increasingly interested in having employees adopt a ways of working with not only environmentally responsible, but also socially responsible, attitudes. It would be possible that the corporation could be accused of being environmentally or socially irresponsible due to the actions of any individual unit, manager or employee. Particularly, there would be new criteria for social responsibility related to actions of managers, employees, and individual units of the corporations or actors with which the corporations were cooperating in e.g. Southeast Asia, South America, or Russia.[736]

Having all employees adopt a way of working with not only environmentally but also socially, or generally, responsible attitude would mean having the employees think more actively and carefully in their decision-making about whether certain actions were responsible, while e.g. planning cooperation or business with companies in developing countries or buying wood from certain forests or from forests seemingly managed in a certain way. In case the consideration appeared difficult, the employees should seek second opinions

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[733] Interviews (e.g. with Metsävirta 8.8.2005; Taukojärvi 30.9.2005; Granholm 23.3.2005); Kause 2000.

[734] Sipilä, Annamari (1997b), "UPM-Kymmenen kumppanin metsä palaa Sumatralla. tuhot vielä pieniä mutta ympäristöväki arvostelee metsäyhtiöitä", *Helsingin Sanomat,* 27.9.1997.
Malin, Risto (2001), "Etiikka tulee ja hämmentää", *Talouselämä,* 64 (9), pp. 38–42.
Porkka 1999.

[735] Iivonen, Jyrki (1999b), "UPM lopettaa myös myyntiyhteistyön aprilin kanssa. kulttuurierot tekivät yhteispelin mahdottomaksi", *Helsingin Sanomat,* 16.10.1999.
Porkka 1999.

[736] Interviews (e.g. with Granholm 23.3.2005; Metsävirta 8.8.2005; Vainio 22.3.2005).

or find out more information about e.g. certain forests or how they were managed and thus risk the corporation's image less by not making hasty decisions.[737]

Mobilizations. The management interests in having employees adopt a way of working with not only environmentally responsible but also socially responsible attitude were strong, as training was increasingly arranged and training materials and guidelines distributed to employees in the late 1990s, particularly related to the principles and policies of corporate responsibility and the ethical codes of the corporation.[738] The training and the materials educated and informed the employees of what environmentally and socially responsible practices were and also stressed the importance of an environmentally and socially responsible attitude in the ways of working, or the role of more active and careful consideration of environmental and social responsibility in decision-making and acting – and their importance to the corporation's staying in business. The interests in having employees adopt a way of working with an environmentally and socially responsible attitude were also strong, as it was increasingly stressed how important it would be to seek second opinions and more information in case of difficulties in knowing what environmental or social responsibility in a given situation meant.[739]

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[737] Interviews (e.g. with Metsävirta 8.8.2005; Taukojärvi 30.9.2005; Granholm 23.3.2005; Kettunen 10.3.2005).; Dammert 2004b.

[738] Interviews (e.g. with Metsävirta 8.8.2005; Taukojärvi 30.9.2005; Granholm 23.3.2005); Kause 2000.

[739] Interviews (e.g. with Metsävirta 8.8.2005; Taukojärvi 30.9.2005; Granholm 23.3.2005).

6.6   Conclusion to Description in Chapter 6

In Chapters 6.1–6.5, I described how different managers of the Finnish P&P corporations came to have – amidst the process of the black-boxing of the five *taken-for-granted aspects* of shareholders, shareholder value, and share price; differentiation in the market; selling own products; international expansion; and environmental responsibility issues – interests which would later become management interests in corporate branding [mI's] and be served by, or translated to, management practices of corporate branding [mP's]. As the description showed, the managers came to have some of the management interests earlier and some later but all of them *by the 2000s.* Table 1 lists the 14 interests of different managers which I identified and highlighted and which would later become management interests in corporate branding [mI's] and be translated to certain management practices of corporate branding [mP's] (Part IV).

Table 1: Interests of different managers by the 2000s, later to become management interests in corporate branding and to be translated to management practices of corporate branding

Id.	Managers	Management interest (in corporate branding)
[mI#1]	CEOs, financial managers, corporate communications managers, investor relations managers	Increasing investor awareness of the corporation as a paper and board company
[mI#2]	CEOs, financial managers, corporate communications managers, investor relations managers	Communicating a clear and focused portfolio of core products and businesses to investors and analysts
[mI#3]	CEOs, financial managers, corporate communications managers, investor relations managers	Emphasizing the corporation's brands to investors and analysts
[mI#4]	CEOs, financial managers, corporate communications managers, investor relations managers	Signalling renewal to analysts and investors
[mI#5]	marketing managers (of divisions and mills), sales managers	Developing and maintaining strong product brands and brand families
[mI#6]	marketing managers (of divisions and mills), sales managers, CEOs, line managers (of divisions and mills)	Emphasizing to customers the corporation's offering of a wide product range rather than that of individual products
[mI#7]	marketing managers (of divisions and mills), sales managers, CEOs, line managers (of divisions and mills)	Emphasizing to customers the corporation's offering of large volume supply reliability rather than that of products
[mI#8]	marketing managers (of divisions and mills), sales managers, corporate communications managers, CEOs, line managers (of divisions and mills)	Increasing (direct) customer awareness of the corporation as a paper and board supplier

[mI#9]	marketing managers (of divisions and mills), sales managers, CEOs, line managers (of divisions and mills)	Emphasizing to customers the corporation's offering of services rather than that of products
[mI#10]	marketing managers (of divisions and mills), sales managers, human resources managers, CEOs, line managers (of divisions and mills)	Having employees adopt a way of working with initiative and a proactive customer-helping attitude
[mI#11]	marketing managers (of divisions), sales managers, CEOs, line managers (of divisions)	Emphasizing to customers the corporation's offering of solution help rather than that of products
[mI#12]	corporate communications managers human resources managers, CEOs, line managers	Increasing potential employee awareness of the corporation
[mI#13]	environmental managers, corporate responsibility managers, corporate communications managers, CEOs, line managers, marketing managers, sales managers, development managers, procurement managers, financial managers, investor relations managers	Communicating an image of the corporation's behaviour as environmentally and socially responsible
[mI#14]	environmental managers, corporate responsibility managers, human resources managers, corporate communications managers, CEOs, line managers, marketing managers, sales managers, development managers, procurement managers, financial managers, investor relations managers	Having employees adopt a way of working with an environmentally and socially responsible attitude

Note that, as the description showed, the management interests were mainly interests of different managers: a certain interest was particularly an interest of certain managers. Which managers particularly had certain interests is reflected in the above Table, too. Later in Part IV, I will describe how in the emergence of the interest in corporate branding, these interests of the different managers eventually were among those that would become management interests in corporate branding [mI's] and be translated to certain management practices of corporate branding [mP's] in the Finnish P&P corporations – as a more unified management subject with interest in corporate branding would be constructed.

7 Moments of mergers and acquisitions around the year 2000 and new management interests (in corporate branding)

In Chapter 6, the focus of the description was on how the different managers of the Finnish P&P corporations came to have – amidst the process of black-boxing of the five taken-for-granted aspects – interests which would later become management interests in corporate branding [mI's] and be served by, or translated to, management practices of corporate branding [mP's]. In this Chapter, the focus is more on specific moments in the histories of the corporations – the aspect of "mergers and acquisitions around the year 2000" – when the management interest in corporate branding ultimately arose. I describe how managers of the Finnish P&P corporations came to have – after the longer-term developments related to the taken-for-granted aspects (Chapter 6) had mostly already taken place around year 2000 and, further, at the specific moments of mergers and acquisitions at that time – additional interests which would later become management interests in corporate branding [mI's] and be translated to management practices of corporate branding [mP's]. I also pay attention to how particular aspects of individual mergers and acquisitions acted to make certain interests strong.

The description text in this Chapter follows a largely similar logic to the description in Chapter 6 (see p. 96). I describe *all* the mobilizations of entities – be they mobilizations realized by the corporations or managers *or* some other mobilizations – under the subheadings "**Mobilizations**". On the other hand, I describe the interests managers came to have and the translations of management interests under the subheadings "**Interests in**…". I especially highlight certain interests that different managers came to have in the late 1990s and early 2000s and, further, at the specific moments of mergers and acquisitions at that time. These particular management interests were among the interests that would become management interests in corporate branding [mI's] and be translated to certain management practices of corporate branding [mP's] in the Finnish P&P corporations – the translations [mI's➜mP's] to be described in Part IV. In Figure 2 (Structure and logic of Part III, p. 81), as well as Figure 1 (Structure and logic of Parts III and IV, p. 18), these interests are illustrated by the thin vertical arrows that raise certain highlighted management interests up from the grey area of "Mergers and acquisitions around year 2000" to the set of "Management interests (in corporate branding) [mI's]" (by the 2000s). In the description of this Chapter 7, it is the following 4 management interests of corporate branding [mI's] that are identified and highlighted:

> [mI#15](m&a)   Making (direct) customers indifferent of which mill produces the products
> [mI#16](m&a)   Reducing salespeople and customer confusion, preventing cannibalization of sales, and eliminating competing promotion
> [mI#17](m&a)   Committing managers to corporate strategies and goals
> [mI#18](m&a)   Having employees identify themselves with and be proud of the corporation

7.1 New management interests (in corporate branding) at moments of M&As around the year 2000

7.1.1 The corporation coming to own numerous paper and board machines, producing similar products

Interests in rationalization of production since the 1990s. In the 1990s, recognizing the ever-lasting problems with cost-competitiveness, the CEOs, line managers (of mills and divisions [see 7.1.2]) and development managers became increasingly interested in realizing mergers and acquisitions, as well as building new machines, as translations of gaining synergies through the rationalization of production. Certain machines could be dedicated to producing few products or few grammage versions of a product. With a larger number of machines owned by a corporation, individual paper machines could be dedicated to producing a narrow product range – even a narrow range of grammages of one product – and still the corporation could offer customers a wide range of products. This would enable longer production runs with fewer product grade changes and, consequently, higher efficiency and lower costs per ton of production, since each grade change prescribed that a machine produced no paper or board at all during the actual change and too low-quality paper or board, or scrap, for a while after the switch.[740] On the other hand, individual machines could be dedicated to producing such products which would suit the machine, its technology, and process best. This would be particularly important, as new paper machines would be built and optimized to produce certain product or products in the most efficient manner.[741]

Interests in production and delivery optimization since the 1990s. Furthermore, the corporations coming to own, through mergers and acquisitions, and machine build-ups, two or more machines which were quite similar and producing quite similar products, the CEOs, line managers (of mills and divisions [see 7.1.2]), and development managers, as well as sales managers (of mills and, later [see 6.3.4], own sales offices), and marketing managers (of mills and, later [see 7.1.4], divisions), became more interested in production and delivery optimization. This would be a translation of gaining synergies through the rationalization of production, as well as of offering shorter delivery times and smaller order sizes (see also section 6.3.6). Namely, if there were enough machines for two or more of them to be dedicated to the production of certain product, the production and deliveries of the whole corporation could be optimized, across the machines and mills. As more than one mill, often around Europe or even the world, would be producing a certain product grade at a similar quality level, a certain customer order of the product grade could be delivered from any of the mills. Then the decision on which mill would produce and deliver the order could be based on optimizing e.g. production costs, transportation costs, inventory costs, and delivery times. Taking into account the order and inventory levels of the product and other products produced by the mills, as well as the immediate production schedules, the aim would be optimization in the form of having as long production runs as possible, delivering the orders from production locations as close to the customers as possible, keeping the inventory levels as low as possible, and offering the shortest

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[740] Paavilainen 1995, p. 53; Byring 2000; Lauhaluoma 1999; Haarla 2003, p. 92; Siitonen 2003, p. 85; Paloheimo 2002; Vuori 1997; Lindberg 1997b; Laurila and Lilja 2002;
Manner, Minna (2002), *E-Business as a tool for increasing customer and channel focus in an industrial organization: Case Stora Enso Fine Paper.* Pro Gradu Master's Thesis, Department of Marketing, Helsinki School of Economics, Helsinki, Finland.
Jeffreys, Janie (1999), "Metsä-Serla acquires UK Paper Plc – An important strategic move", *Insight,* Spring, pp. 7–9.

[741] Haarla 2003, p. 101; Siitonen 2003, p. 96;
Silverang, Keith (2001), "A whole new ball game", *Metsä-Serla News,* Spring, pp. 4–6.

possible delivery times to the customers. Furthermore, in times of lower demand, it would be possible to run only those machines that were the most efficient.[742]

Interests in leaving the sales associations since the 1990s. The corporations coming to own numerous similar machines, the CEOs, line managers (of mills and divisions [see 7.1.2]), development managers, sales managers (of mills), and marketing managers (of mills) further became more interested in freeing the corporation of the control and order allocation policies of the sales associations, which was necessary in making optimal decisions on which mill would produce and deliver a certain order.

7.1.2 The corporation starting to transfer control of production to division management

Interests related to transferring responsibility for production and delivery planning from mill managers to divisional managers since the early 1990s. The corporations coming to own numerous similar machines and having left the sales associations or the sales associations being dismantled, the CEOs and line managers became more interested, since the early and mid 1990s, in transferring the responsibility for production and delivery planning from mill managers to divisional managers. This would be a translation of production and delivery optimization. When more than one mill would produce a certain product, mill managers acting as planners of production and deliveries of their mills would mean that optimizing the production and deliveries of orders across the mills would be difficult. Particularly, if the mill managers continued to be responsible for production and delivery planning for the products, they would do plan with the aim of optimizing the production in and deliveries from their mill only. But, if particular product-type-based divisions were set up, mills or machines put under their command, and production and delivery planning transferred from the mill managers more to the divisional managers, optimizing production costs, transportation costs, inventory costs, and delivery times at the corporate level would be easier.[743]

Interests in making divisions primary profit centers and removing some of the profit center status of mills since the early 1990s. Further, the CEOs and line managers became more interested in making divisions primary profit centers and removing some of the profit center status of mills. This would be a translation of transferring responsibility for production and delivery planning. Namely, if the mill managers continued to be evaluated on the basis of and strictly responsible for maximizing sales and profits at the mill level, they would hardly be willing to cooperate with the division managers and consent to the production and delivery planning done at the division-level to maximize the profits of the division. Also, making divisions primary profit centers and removing some of the profit center status of mills would also be a translation of production rationalization in general. Moving products from one mill to another, dedicated one, would be easier: a mill manager would not have the possibility or need to strictly stick to his own products, customers, and sales but could give up on them, consenting to moving them to another mill, for the benefit of the division and corporation[744].

Mobilizations. The management interests in rationalization of production, production and delivery planning and transferring responsibility for production and delivery planning from mill

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[742] Interviews (e.g. with Granholm 23.3.2005; Mynttinen 19.10.2005);
    Laitinen, Pentti (1998b), "Metsäyhtiön suuruudenhimo hyödyttää myös kilpailijoita", *Helsingin Sanomat,* 3.6.1998.
    Lindberg, Leif (1994b), "Getting ahead on quality", *Metsä-Serla News,* Winter 1994-1995, pp. 4–5.
    Niskanen, Markku (2000), "Paper production and sales combined", *Insight,* Winter 2000-2001.
    Hakkarainen 1993, p. 167; Laurila and Lilja 2002.

[743] Hakkarainen 1993, p. 167.

[744] Interviews (e.g. with Anttila 8.11.2005).

managers to division managers were strong, as in the 1990s, the corporations formed product-type-based divisions and largely transferred production planning little by little to the division level[745]. The divisions were made the primary profit centers and the profit center status of the mills was largely removed – although profits would be more or less officially calculated also for mills to motivate the mill managers and employees to improve the efficiency of the mill[746]. For instance, Kymmene formed magazine and fine paper divisions at the beginning of 1990s, when it had come to own several LWC machines and fine paper machines in several mills and had left Finnpap for good. UPM formed a profit center division for its newsprint in 1989 when the newsprint machines at the Shotton and Stracel mills were coming to accompany those of Kaipola, but could not start to really optimize production planning at this level before the dismantling of Finnpap[747]. Nevertheless, the corporations did not move to division-level production planning and to removing profit center status from the mills more completely until in the late 1990s, after the number of similar machines they had in different mills had considerably increased due to the mergers and acquisitions. For instance, at Enso, this happened at the time of the acquisitions of Tampella Forest and Veitsiluoto and at UPM-Kymmene, after the merger of Kymmene and UPM. At Metsä-Serla it happened for paperboard, at the time of the acquisition (1995) of Kyrö's paperboard business[748], and, for fine paper, after the acquisitions of Biberist (1997), UK Paper (1998/1999)[749], and finally Modo Paper (2000) (see also pp. 128, 199).

> **Metsä-Serla/M-Real marketing manager (division),** *retrospectively:*
> Earlier… it was like one product had been made only at one mill. But now that the firms were growing, there started to be mills abroad, which meant that if one product had been produced only e.g. in Sweden, it was now possible that these big companies produced part of it in Sweden or in Germany or wherever and part of it in another mill. Which meant that we could offer those local products on a wider scale, as they were produced in more than one mill, and we could choose where to optimally produce certain products for certain customers. And it meant that we had to be able to harmonize the products that had been different in different mills… So, of course, the starting point is… that the various mills can produce similar products according to the same specifications..

Interests in having different machines produce products at a highly similar quality level since the early 1990s. The CEOs, line managers, development managers, sales managers, and marketing managers (of mills and, later [see 7.1.4], divisions), further became more interested in having different products produce products at a highly similar quality level. This would be a further translation of production and delivery optimization. For the same products of different machines at different mills to be interchangeable for a given customer order, the different machines would have to produce the products at a highly similar quality level. Technological advances in paper and board production would be making this harmonization of quality increasingly possible, even if slight differences in two machines and, especially, the slightly different kinds of wood or fibre used at different mills, in principle, would always result in some deviations.

> **Industry analyst,** *retrospectively:*
> It became increasingly possible in the 1990s. The paper machines started to be good enough that you could [produce similar quality with different machines]. The differences weren't so huge anymore.

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[745] Alajoutsijärvi, Kimmo and Kari Lilja (1998), "Metsäteollisuuden toimintaympäristö muuttuu: pysyykö johdon ajattelu mukana? Osa II Metsäteollisuusyritysten organisaatiorakenteiden uudistaminen: Liian usein vai liian vähän?", *Paperi ja Puu – Paper and Timber*, 80, pp. 18–22.
Laurila and Lilja 2002.

[746] Interviews (e.g. with Taukojärvi 30.9.2005; Anttila 8.11.2005; Mynttinen 19.10.2005).

[747] Hakkarainen 1993, p. 167.

[748] Kilpinen 1995.

[749] Seeling, Maarit (2000), "New fine paper division puts the customer first", *Metsä-Serla News*, Spring.

Mobilizations. The interests in having different machines produce products at a highly similar quality level were strong, as building or rebuilding new machines to produce a certain product grade, the corporations aspired to ensure that the machines could produce the product at a highly similar level in the 1990s. The interests were also strong, as after mergers and acquisitions, machines producing similar grades were largely adjusted and output harmonized in terms of quality.

[management interest (in corporate branding) mI#15(m&a), particularly after M&As]

Making (direct) customers indifferent of which mill produces the products

Interests in making (direct) customers indifferent of which mill produces the products since the late 1990s. In the late 1990s, the CEOs, line managers (of divisions), development managers, sales managers (of own sales offices), and marketing managers (of divisions [see 7.1.4]), became more interested in making customers, particularly direct customers, such as publishers, large printing houses, packaging manufacturers, merchants, and OEMs, more indifferent of which mill produces the products. This would be a translation of the interests in the rationalization of production and production and delivery optimization across mills. The interest was particularly strong before and after individual mergers and acquisitions in the late 1990s and early 2000s when the corporations had come to own numerous machines, producing similar products at different mills. The customers would have to grasp that it was not the mill or machine that guaranteed the quality of a product and that the quality did not necessarily differ across products produced with machines of different mills. If the customers continued to believe – as particularly direct customers had learnt – that the mill or machine which produced certain product determined its quality level, or that products produced by different mills and machines were necessarily of different quality, they could demand that their orders would be delivered from a certain mill or machine. This would make moving the production of certain products to dedicated machines and mills and optimizing the production and logistics of the whole corporation difficult.

> **Metsä-Serla marketing manager,** *retrospectively:*
> There were talks that the same product could be produced in different mills. But the customers know - and the engineers know - that it is not so easy. For instance, wood fibre is so different in Eastern and Western Finland, that it is hard to be convincing. Not to mention production in another country.

> **Industry analyst,** *retrospectively*:
> If I go back to… let's say to the 1980s. If you were selling LWC paper to Central Europe, the printer or the agent directly demanded that the paper came from a certain machine. And it didn't accept other machines. Kaukas [a mill] was already then in a special position, as both of its machines were the same. The machine did not make a difference, both were producing Kaukas [mill] LWC. But of course, if they stick with the old predisposition that it has to come from there [from a certain machine] – and if there are enough of them – then the whole thing does not work. Obtaining the synergy benefit from the rationalization of production is not possible.

Mobilizations. The interests in making customers indifferent of which mill produces the products and having them trust that the corporation could guarantee the quality were strong, as e.g. the salespeople and customer service people were made to communicate, educate, and demonstrate to customers the similar quality of a certain product produced by several mills.

UPM-Kymmene deputy CEO, *retrospectively:*
… perhaps the last, say, synergy factors which had to be influenced somehow were through the customers' predispositions. Because at that time we already had the same products in many mills… But if a local customer had clung to something in e.g. Austria, and would say that he wants the Kaukaa [a mill] product… Although the product from his local mill was evidently the same product and could be applied to the same end use… Managing this required that we could convince the customer that… if the technical specification is the same, it is the same product, no matter where it is produced. And if we had not got this message through by educating the customers, the synergies in logistics and other areas would not have been taken advantage of.

UPM-Kymmene line manager (division, executive), *retrospectively:*
One of the objectives after the merger was that we don't give – at least not to all the customers – the possibility to choose from which mill or paper machine the paper comes from… Because it could be that we had, say, seven mills producing a certain product. And we made harmonization so that the products would be as substitutable as possible, so that we could do this, to sell the brand … irrespective of the mill.

7.1.3 Problems emerging with the corporation's mills optimizing their own sales and with salespeople's and customers' difficulties with similar products from different mills

Mobilizations. The corporations owned numerous machines by the late 1990s, some or many of which were producing similar products. After the corporations had left the sales associations or they had been dismantled, the sales offices of the corporations had products from different mills to sell. Since there was an increasing number of mills and machines producing the same product, it was increasingly difficult for the salespeople to choose which product of which mill to offer to customers. Salespeople strongly offering the product of one mill would cannibalize the sales of another – and make it difficult for the division to plan the production and deliveries optimally. On the other hand, for customers it could be difficult to choose one of the products.[750]

Moreover, products had been developed and were being developed between the standard grades (see also section 6.3.8). The increasing number of machines meant that the corporation could produce many of the more or less standard original and between-grades. As there had come to be different product grades that were quite interchangeable for a certain end use, it was difficult for the salespeople to choose which product to offer to customers and for customers to choose one of the products for an end-use. For instance, SC (or SC+), MFC, and LWC products; or LWC, MWC, slightly mechanical fine papers, and woodfree fine papers could be quite interchangeable with each other for certain end-uses. The same was true for many paperboard products for certain packaging end-uses.[751]

On the other hand, the mill management and sales and marketing people at a mill priced the products of their mill and produced promotional materials and were in personal contact with customers, further promoting the products of the mill, trying to maximize the sales of the products of the mill. They could also try to persuade salespeople of the sales offices, who had the main responsibility for customer contacts, to promote the products of the mill, again trying to maximize the mill sales. So, the managers at a certain mill mostly tried to maximize the sales of the products of their own mill, even at the expense of or by competing with the sales of similar products or interchangeable products produced by other mills owned by the corporation. The sales of one mill could thus cannibalize the sales of another through promotion, and even price competition. And particularly, there would be promotional activities within the corporation, competing, to some extent, among the same customers, creating costs. The costs for designing,

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[750] Interviews (e.g. with Granholm 23.3.2005; Mynttinen 19.10.2005).

[751] Interviews (e.g. with Granholm 23.3.2005; Mynttinen 19.10.2005; Frejborg 25.2.2005).

producing, and delivering promotional materials and campaigns could be quite high. Besides, the competing promotion further made it difficult for customers to choose one of the products and for salespeople to choose which products to offer to them.[752]

7.1.4 The corporation starting to transfer control of sales and marketing to division managers

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[management interest (in corporate branding) ml#16(m&a), particularly after M&As]

Reducing salespeople and customer confusion, preventing cannibalization of sales, and eliminating competing promotion among the corporation's products

Interests in reducing salespeople and customer confusion, preventing cannibalization of sales, and eliminating competing promotion among the corporation's products since the mid 1990s. Recognizing the above problems with sales and marketing, the CEOs, line managers (of divisions), sales managers (of own sales offices), and marketing managers (of divisions [see below]), became, in the late 1990s, more interested in reducing salespeople and customer confusion, preventing cannibalization of sales, and eliminating competing promotion among the corporation's products. The interest was particularly strong before and after individual mergers and acquisitions in the late 1990s and early 2000s. Overlapping and competing promotion of similar or interchangeable products of different mills would be eliminated as much as possible. This would also mean preventing different mills' products cannibalizing the sales of each other. Moreover, salespeople confusion about which ones of the similar products, or interchangeable products, they should offer to customers and the customer confusion about which ones to choose would be reduced.

> **Metsä-Serla/M-Real marketing manager (division),** *retrospectively:*
> When we, after the acquisitions of Biberist, UK Paper, and Modo Paper, again paid attention to how much money in total was spent on marketing communications at different mills for promoting their products – many of which where similar and competing with each other… It was an enormous sum. We wanted to cut that down.

> **UPM-Kymmene deputy CEO,** *retrospectively*:
> After the merger of UPM and Kymmene, it was clear that there started to be some kind of cannibalism across products produced at different mills. We wanted to do away with this, too.

> **UPM-Kymmene marketing manager (division),** *retrospectively:*
> The salespeople also saw the absurdity in not knowing whether to try to have the customer buy, for instance, LWC paper from the Jämsä or Rauma mill. It was confusing to them. And to customers, too. We had many mills producing products for exactly or more or less the same end-uses.

Mobilizations. The interests in reducing salespeople and customer confusion, preventing cannibalization of sales, and eliminating competing promotion were strong, as the corporations had the planning and implementation of sales and marketing, including pricing and promotion of products, largely transferred from the level of individual mills to the division level, and aimed to closely coordinate the selling and marketing done by the sales

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[752] Interviews (e.g. Mynttinen 19.10.2005; Toiviainen 26.1.2005; Granholm 23.3.2005).

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offices since the late 1990s.[753] This way the planning and implementation of sales and marketing came to accompany the production and delivery planning at the division level overlooking the mills. Further, the interests were strong, as the planning and implementation responsibilities were given to division-level teams dedicated to different customer groups, such as publishers and large printing houses, commercial printers together with merchants serving them, office customers together with merchants serving them, and packagers or packaging manufacturers in different industries.[754]

Whereas pricing at the division level eliminated potential price competition across mills, planning and implementing the promotion of products that a certain customer group needed together at the division level, instead of planning and implementing it separately for each mill's products, came to reduce competing and overlapping promotion directed to the same customers and, hence, costs of promotion and the cannibalization of sales. It also reduced salespeople's and customers' confusion. Different mills would try less to have customers choose or salespeople offer just their products. The removal of some of the profit center status of the mills also reduced the drive of mill people to maximize the sales or profits of their own mill.[755]

Moreover, the interests were also strong, as the salespeople at the sales offices were divided more according to the customer groups since the late 1990s (see also p. 189). The division of sales and marketing this way resulted in matrix organizations when combined with the product-type divisions: one product type could be marketed and sold to many customer groups. The customer-group-based sales and marketing came to cooperate closely with the product-type-based production planning, so that production and deliveries could be optimized by allocating orders to different mills. For instance, of similar products produced by different mills, there would be an aspiration to sell a customer, at a given point of time, the product of such a mill from which the order could be delivered so that production and deliveries of the division could be optimized.[756]

> **Enso/Stora Enso line manager (division, executive),** *retrospectively:*
> When you start to have 10 fine paper mills, not much good comes out of each of them controlling their marketing and production themselves. They suboptimize. Since about the time when Veitsiluoto was acquired in the mid 1990s, we have had division presidents, production managers and marketing managers in the divisions. They have been the central profit centers. The similar products produced by different mills have been in the hands of the division. On the other hand, we had to slowly shift into a matrix organization in marketing, with sales and marketing of divisions and mills arranged somehow according to customers.

> **UPM-Kymmene line manager (division, executive),** *retrospectively:*
> When the firm was bigger and had mills and machines in different places producing similar products, the old organization and decision-making largely at the mill level did not work any more. When we had 12 mills with strong business overlap in products, they could not all market themselves independently. The marketing, pricing and promotion of products, they should be decided on a level above the mills.
> So, after the merger, around 1997-1998, we went from an organization which was based on independent mills and their production and marketing more towards these kinds of globally controlled divisions. First of all we had these marketing or customer segments, which was quite novel. They were some 5 or 6 of them. And on the other hand, we had the mills and their production report to global product-type based divisions. They took global control to the mills of certain areas and to the asset side. Organization-wise. It was a great change, probably the biggest we have ever had.

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[753] Interviews (e.g. with Ovaska 1.2.2005; Taukojärvi 30.9.2005; Mynttinen 19.10.2005; Anttila 8.11.2005); Seeling 2000.

[754] Interviews (e.g. with Ovaska 1.2.2005; Taukojärvi 30.9.2005; Mynttinen 19.10.2005; Anttila 8.11.2005).

[755] Ibid.

[756] Ibid.; Laurila and Lilja 2002.

> **Metsä-Serla/M-Real CEO,** *retrospectively*:
> Since the mid 1990s, we have had mills producing similar products. The independency of mills has been taken down, we have little by little started to look at things at the division level, above all the production of optimal products at certain mills and their marketing together. On the paperboard side we had several mills already in the mid 1990s and started to have marketing and production under the control of the division. On the paper side, a little later.

7.1.5 Mill and sales managers losing power, resisting changes, and suboptimizing

Mobilizations. The changes, since the mid 1990s, concerning the transferring of production control, as well as of sales and marketing, from the mills and sales offices to divisional managers made managers of mills and, to some extent, sales managers unhappy. They would lose considerable power and independency in decision-making. Particularly the mill managers would have to consent to decisions made at the division level calling for e.g. the mill having to cut down or end the production of some good products, give customers away to other mills, and give orders, sales, and profits away to other mills.[757] They could try to resist the change and continue to optimize the operations at the mill level[758].

7.1.6 Managers and employees resisting change and suboptimizing at the sub-unit level, after individual mergers and acquisitions

Mobilizations. The unhappiness of managers was especially evident if the changes to the independency of mill management would be made after a merger or acquisition – particularly an acquisition. The changes could be interpreted by the managers affected by the changes as impudence from the new owners of the corporation and the mill. Offended by this, they could try to resist the changes and continue to optimize the operations at the mill level even more persistently. Nevertheless, after mergers and acquisitions, the change resistance could actually relate to any changes. Any changes in strategies, business objectives, in management styles, or in ways of working could result in resistance to the changes – albeit that these changes usually changed the power and independence of managers, too. Whereas the changes would be made to optimize the workings of the corporation and to get integration synergies, the managers could suboptimize the workings of their subunit instead. Furthermore, all these changes could also be interpreted by the managers as impudence from the new owners of the corporation and the mill. And if there were new owners from another country or region, these kinds of interpretations were particularly common. Again, offended by the impudence, the managers could try to resist the changes and suboptimize even more persistently. This would make effective managing and working to implement new strategies and reach new business goals, as well as obtaining integration synergies from the merger or acquisition at the corporate level difficult or even potentially impossible.[759]

Furthermore, not only would the managers have change resistance and engage in suboptimization after the independence of mills was taken away and after mergers and acquisitions. All the employees of the corporation could exhibit change resistance in a similar way as the managers. Changes in strategies, business objectives, in management styles, or in ways of working resulted in resistance to the changes. The employees often chose to

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[757] Interviews (e.g. with Mynttinen 19.10.2005; Anttila 8.11.2005); Laurila and Lilja 2002.

[758] Interviews (e.g. with Mynttinen 19.10.2005; Anttila 8.11.2005).

[759] Interviews (e.g. with Ansaharju 22.4.2005; Lehtinen 25.4.2005; Tunturi 27.4.2005; Finne 16.5.2005).

suboptimize their own workings or the workings of their subunit instead of those of the corporation. Usually this subunit was the mill they worked for and, in the case of a merger or acquisition, the company they worked for which had been independent before the merger or acquisition.[760]

Interests in preventing managers' change resistance and suboptimization behaviour since the late 1990s. Recognizing the above problems with transferring control of production, as well as sales and marketing, from the mills and sales offices to division managers, the CEOs, line managers (of divisions), and marketing managers (of divisions), as well as human resources managers (of the corporations), became, in the late 1990s, more interested in preventing managers' change resistance and suboptimization, particularly at the mill level. Moreover, recognizing the above problems with changes in strategies, business objectives, in management styles, or in ways of working after mergers and acquisitions, especially international ones, the managers became more interested in preventing managers' change resistance and suboptimization at subunits especially before and after particular mergers and acquisitions and especially international ones.[761]

Interests in preventing all employees' change resistance and suboptimization since the late 1990s. Recognizing the above problems with changes in strategies, business objectives, in management styles, the CEOs, human resources managers (of the corporations), and line managers (of divisions) became, in the late 1990s, more interested in preventing change resistance and suboptimization of not only managers at different units but also of all the employees of the corporation, particularly before and after mergers and acquisitions and especially international ones.[762]

Further, the managers became more interested in creating one corporate culture in the sense of having managers and employees share some common goals and corresponding ways of thinking and working across the whole corporation. This would be one further translation of preventing all employees' change resistance and suboptimization behaviour.[763]

> **Kymmene/UPM-Kymmene CEO,** *retrospectively*:
> In creating a stronger corporate culture, it was important to get rid of suboptimization. It was not only in relation to mergers and acquisitions. It was also to optimize the business operations of the corporation as a whole, instead of e.g. mills. You had to get suboptimizing out of the managers' and employees' minds. But of course, with mergers and acquisitions, the risk of suboptimization was particularly great. And that's something you cannot get rid of overnight. It always takes time to deal with it. There is always resistance to changes. But it's essential in all these consolidation decisions. For most managers and employees of a corporation the goals, management styles, and ways of working are on a harddisk, and you should be able to change them, sometimes more, sometimes less.

> **UPM-Kymmene CEO, Juha Niemelä,** *in 2001*[764]:
> Our aim is a corporate culture in which the company and its employees share the same goals. We believe that a culture of this kind will encourage everyone to enjoy their work and at the same time secure the company's future financial success.

> **Metsä-Serla human resources manager,** *retrospectively:*
> In all the mergers and acquisitions, the integration process of the companies was very important for the synergies at the level of the corporation as a whole, for instance in production and marketing. It was about the process where the skills and competencies of the personnel of both

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[760] Ibid.

[761] Ibid.

[762] Ibid.

[763] Ibid.

[764] UPM-Kymmene Annual Report 2000, "Review by the President.", p. 5.

companies were attended to and taken advantage of in developing common goals and ways to act, so that the employees of neither company felt that they had been taken over by new owners and everything was being dictated, radical changes…

For instance, when we [Metsä-Serla] bought Modo and Zanders in 2000, the top management really pondered how common goals and behaviour could be taken through the managers and employees, the whole organization... and change resistance overcome.

Enso/Stora Enso human resources manager, *retrospectively:*

During the merger with Stora, the top management was clearly enlightened about this corporate culture issue needing to be managed systematically to have managers and all employees share common goals for the good of the new corporation as a whole. That it was one important part of management's work in this integration.

[management interest (in corporate branding) ml#17(m&a), particularly after M&As]
Committing managers to corporate strategies and goals

Interests in committing managers to corporate strategies and goals since the late 1990s. In the late 1990s, the CEOs, human resources managers, and line managers (of divisions) became more interested in committing all managers to corporate strategies and goals. This would be a translation of preventing managers' change resistance and suboptimization behaviour. The interest was particularly strong after the independence of mills was removed and especially before and after individual mergers and acquisitions. Managers would have to personally find the strategies and goals worth struggling for. If the managers, particularly the upper-level managers, were not committed to the corporate strategies and goals this way, they would potentially resist the management styles and ways of working which the strategies and goals called for, as well as engage in suboptimization behaviour, not optimizing for the good of the corporation as a whole.[765]

Mobilizations. The management interests in committing managers to corporate strategies and goals were strong, for instance, as management positions were increasingly changed or rotated, since the mid 1990s, particularly within and across the mill, divisional, and corporate management rather often, every few years. A manager or executive would not become highly involved with his units or prone to defending the interests of e.g. his own division, business area, mill, or other unit. Any manager could, after all, the following year be managing a whole other unit. This reduced change resistance to corporate strategies and goals, as well as suboptimization behaviour at the unit level.[766]

> **UPM-Kymmene line manager (division, executive), *retrospectively*:**
> We started to change and rotate management positions quite a lot in the late 1990s, also at the top level. It would certainly have the effect that every manager would commit to new strategies, goals and ways of controlling the corporate business better and more rapidly…
> When you rotated managers to different positions, the changes could be better run through. It was a surprisingly effective way of preventing change resistance, the rotating of managers to new positions and giving them new challenges which related to these corporate-level change processes. Instead of leaving them in their old positions, from where they might try to defend their established positions and struggle against changes in the corporation, they were put into new positions. This way, they suddenly faced new challenges and became very committed to making the required changes there. This was practical.

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[765] Ibid.

[766] Interviews (e.g. with; Anttila 8.11.2005; Ovaska 1.2.2005).

[management interest (in corporate branding) ml#18(m&a), particularly after M&As]

Having employees identify themselves with and be proud of the corporation

Interests in having employees identify themselves with and be proud of the corporation since the late 1990s. In the late 1990s, the CEOs, human resources managers, and line managers (of divisions) also became more interested in having employees identify themselves with the corporation as their employer, rather than e.g. the mill they worked at or the corporation or unit they had worked in before a merger or acquisition. Moreover, the managers became more interested in making the employees proud of the corporation and of being employed by it. This would be further translation of preventing all employees' change resistance and suboptimization behaviour. The interest was particularly strong before and after individual mergers and acquisitions, especially international ones. The more the employees would identify themselves with the company and the prouder they would be of it, the more willing they would be to accept e.g. strategies, business objectives, management styles and ways of working for which the top managers of the corporation spoke for as necessary in optimizing the good for the corporation as a whole.[767]

Mobilizations. The management interests in having employees identify themselves with and be proud of working for the corporation were strong, as the corporations increasingly took into use, since the mid 1990s, more unified corporate visual identities, so that in all promotional and communications materials, the visual style became more similar in terms of graphics, fonts, and the use of the corporate name and logo. The corporate name and logo would be more clearly displayed in the materials and the style would be more similar across the promotional and communication materials of different mills, subsidiaries, and previously independent companies that had been merged or acquired. For instance, Kymmene, when pursuing greater integration in production and marketing between different mills, having obtained many new machines and left Finnpap, initiated a visual identity program in 1993 to be implemented by the end of 1995. The visual appearance of promotional and communication materials produced by mills and subsidiaries would be made more similar[768].

On the other hand, particularly after mergers or acquisitions, the interests in having employees identify themselves with and be proud of working for the new corporation were strong, as new names were made up as combinations of the corporate names of the merging corporations and new visual identities were taken into use. For instance, when UPM/Repola and Kymmene merged, the new name for the forest industry corporation, which was to divest the engineering business Rauma, came to be "UPM-Kymmene". A unified visual identity was also designed – actually, largely taking advantage of Kymmene's new visual identity. Similarly, when Enso merged with STORA, the new name was a combination of the names: "Stora Enso". The interests in having employees identify themselves with and be proud of working for the new corporation were also strong, as a whole new unified visual identity was designed. The employees of both corporations could identify themselves more with and be prouder of the corporation, and not feel that the employees of the other corporation were somehow in a dominant position in the merger.

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[767] Interviews (e.g. with Mynttinen 19.10.2005; Taukojärvi 30.9.2005; Serlachius 25.1.2005).

[768] Paavilainen 1995, p. 99.

Furthermore, the interests in having employees identify themselves with and be proud of working for the new corporation were fairly strong, as training and internal communication educating employees about the strategies and business of the corporation was arranged in the late 1990s. For instance, Kymmene had this kind of education as part of its visual identity program[769]. This helped in having the employees identify themselves with and be prouder of the corporation. Finally, the interests were fairly strong, as special corporate value projects could be set up in the late 1990s. In these projects, some of the employees were engaged in defining what kinds of things and values the corporation and its employees would and should hold especially important. Once these kinds of common corporate values were defined, they would be communicated to all the employees in the corporation and included in their training. For instance, UPM-Kymmene had, after the merger in 1996, an extensive corporate value project.[770]

7.2   Conclusion to Description in Chapter 7

In this Chapter, I focused on the specific moments in the histories of the corporations – the aspect of "mergers and acquisitions around year 2000" – when the management interest in corporate branding would eventually arise. I described how managers of the Finnish P&P corporations came to have – after the longer-term developments related to the taken-for-granted aspects (Chapter 6) had mostly already taken place around the year 2000 and, further, at the specific moments of mergers and acquisitions at that time – additional interests which would later become management interests in corporate branding [mI's] and be translated to management practices of corporate branding [mP's]. I also paid attention to how particular aspects of *individual* mergers and acquisitions acted to make certain interests strong.

Like in Chapters 6.1–6.5, I highlighted, in the description of this Chapter, particular interests of different managers that would eventually become management interests in corporate branding [mI's] and be translated to certain management practices of corporate branding [mP's] – the translations [mI's→mP's] to be described in the next part, Part IV. Table 2 lists the 4 interests of different managers which I identified and highlighted, which were related to mergers and acquisitions around the year 2000 and which would later become management interests in corporate branding [mI's] and be translated to certain management practices of corporate branding [mP's] (Part IV).

Table 2: Interests of different managers by the 2000s, related to mergers and acquisitions around the year 2000, and later to become management interests in corporate branding and be translated to management practices of corporate branding

Id.	Managers	Management interest (in corporate branding)	Entities active in the moments of individual M&As
[mI#15] (m&a)	line managers (of divisions), development managers, CEOs, sales managers, marketing managers (of divisions)	Making (direct) customers indifferent of which mill produced the products	*obtained in M&As:* mills and other subunits; employees and managers

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[769] Paavilainen 1995, p. 107.

[770] Inteviews (e.g. with Granholm 23.3.2005; Ansaharju 22.4.2005; Finne 16.5.2005).

[mI#16] (m&a)	sales managers, marketing managers (of divisions), CEOs, line managers (of divisions)	Reducing salespeople and customer confusion, preventing cannibalization of sales, and eliminating competing promotion	*obtained in M&As:* mills; machines; products and product names to be promoted and sold
[mI#17] (m&a)	CEOs, line managers (of divisions), marketing managers (of divisions), human resources managers	Committing managers to corporate strategies and goals	*obtained in M&As:* mills and other subunits; employees and managers *obtained in int'l M&As in and from different countries:* mills and other subunits; employees and managers
[mI#18] (m&a)	CEOs, human resources managers, line managers (of divisions)	Having employees identify themselves with and be proud of the corporation	*obtained in M&As:* mills and other subunits; employees and managers *obtained in int'l M&As in and from different countries:* mills and other subunits; employees and managers

Note that, as the description showed, the management interests were mainly interests of different managers: a certain interest was particularly an interest of certain managers. Which managers particularly had certain interests is reflected in the above Table, too.

Moreover, the description showed that at the moments of *individual* mergers and acquisitions around year 2000, there were entities that made the above management interests particularly strong. These included what the corporations, at once, obtained from individual mergers and acquisitions: many more mills and other subunits, such as (daughter) companies, sales offices, and administrative offices; machines; products and product names to be promoted and sold; and employees and managers. I note the activity of these entities in the above Table. Furthermore, the description showed that at the moments of *individual international* mergers and acquisitions around year 2000, there were additional entities that made two of the above management interests particularly strong. These included what the corporations, at once, obtained from individual international mergers and acquisitions: mills and other subunits in and from different countries and employees and managers in and from different countries. I note also the activity of these entities in the above Table.

PART IV
Description: Translations of management interests to management practices of corporate branding

In this Part IV of the Thesis, I describe the management practices of corporate branding [mP's] in which managers, including top managers, of the P&P corporations mainly became interested and how the 18 management interests of the different managers highlighted in Chapters 6 and 7 became management interests in corporate branding [mI's] and would be served or translated to those management practices [mI's→mP's]. I describe the management practices of corporate branding [mP's] in sections 8.1, 9.1, 10.1, and 11.1. The translations of the management interests to the management practices of corporate branding [mI's→mP's], in turn, I describe in sections 8.2, 9.2, 10.2, and 11.2. At the beginning of these sections, I also describe managers who were particularly interested in corporate branding and spoke for the management practices of corporate branding and for how they would serve the various interests of different managers.

Note that the fact that one management practice would be a translation of several management interests, i.e. one interest matched with several practices, results in that among the headings of sections 8.2.1–8.2.8, 9.2.1–9.2.8, 10.2, and 11.2.1–11.2.5, reflecting the management interests, one heading may appear multiple times. For the reader to be able to keep track of the translations described in this Part IV, it may be helpful to take an advance look at Table 9 (p. 385), which summarizes the translations of the management interests to the management practices. See also Figure 8 below, as well as Figure 1 (p. 18), to get a picture of the structure and logic of this Part and of how it relates to the overall structure and logic of Parts III and IV.

As implied by the sectioning in this Part, I group the description of the management practices and the related translations of the management interests under three "phases" of corporate branding (Chapters 8, 9, 11; see also Method, p. 65). My notion of the "phases" is quite void in meaning, apart from two aspects. First, managers became interested in two management practices which I include in one and the same phase more simultaneously than in two management practices which I include in different phases. Second, to the extent that the managers did not become interested in all the management practices at exactly the same time, they became more interested in the management practices somewhat in the (sequential) order: the 1st phase preceding the 2nd phase and the 2nd phase preceding the 3rd phase. Nevertheless, note that more than strictly sequentially, managers, particularly top managers, still became interested in the management practices of the phases somewhat at the same time.

On the other hand, as also implied by the sectioning, I describe some problems that had emerged when some of the management practices or the corresponding mobilization of entities had actually been planned or realized. This concerns, first, particularly the management practices of 1st and 2nd phases of corporate branding (see also Method, p. 65). I describe the problems that had emerged in section 8.3, "Dissidence". Further, in Chapter 10, "Negotiations", I describe how the management practices and the translation of interests of the 1st and 2nd phases were redefined and new entities mobilized, as the problems had been recognized.

I describe also further problems that emerged when the management practices of corporate branding or corresponding mobilization of entities were actually planned and realized. These problems can be considered management interests that were, to some extent, Othered by the eventual management practices of corporate branding (see also p. 66). When it comes to the 1st and 2nd phases of corporate branding, some problems that emerged, i.e. those described under the heading "Dissidence", were "negotiated" away. However, some Othered management interests remained. I describe these interests and how the

management practices or corresponding mobilization of entities suppressed or acted against the interests in section 10.3 ("Management interests Othered by corporate branding: 1st and 2nd phases after negotiations"). When it comes to the 3rd phase of corporate branding, I describe some problems that emerged and, hence, some Othered management interests and how the management practices or corresponding mobilization of entities acted against the interests in section 11.3 ("Management interests Othered by corporate branding: 3rd phase"). Furthermore, particularly concerning one of the corporations, M-Real, to further illustrate the Othered management interests, I also describe how some management practices of the 3rd phase of corporate branding and the translation of interests were somewhat renegotiated, as the problems were recognized and the Othered interests ended up becoming strong enough. This description ends the description of Part IV.

It should be noted that I describe the management practices, the interests, and translations jointly for all the corporations, not separately for each corporation (see also p. 64). Only to the extent that there were clear differences in the management practices, in the management interests, in the translations, or in *when* the management had become interested in the management practices in different corporations, I pay attention to them through corporation-specific descriptions. Particularly when it comes to describing the *management practices* or the mobilization of which entities had *actually been planned and realized* by certain corporations, I make the description in grey boxes separated from the rest of the description, since the rest of the description is not corporation-specific (see also p. 65). In the corporation-specific descriptions, I also describe *when*, approximately, the translation of the management interests had occurred, as well as when the management practices had actually been planned and realized, in particular corporations.

The description, considered together with the description in Part III, shows how the management interest in corporate branding eventually emerged. Not inconsistent with Foucault's (1971) opposition of viewing history as a continuity or representative of a tradition, as well as his notion of emergence, or a moment of arising, the description shows how the management interest in corporate branding emerged at specific moments in the history of the Finnish P&P corporations: around the year 2000 and, further, after individual mergers and acquisition at that time. Further concerning the temporality of the moment of arising, the description shows, consistent with an ANT notion of time being folded (Latour 2005), how the management interest in corporate branding emerged as entities that had acted for a longer or shorter time (Chapters 6 and 7) and entities that acted at the specific moments of individual mergers and acquisitions around year 2000 (Chapter 7), interacted.

Importantly, somewhat in accordance with Foucault's (1971) notion of emergence, the description further shows also how the management interest in corporate branding ultimately emerged not only in the temporal moment of mergers and acquisitions around the year 2000 or simply as a natural continuity or culmination of some developments – e.g. those related to the taken-for-granted aspects – but also in an interstice and place of confrontation, through some play of dominations and struggle of forces. From an ANT perspective, Part III shows how different managers came to have various interests in their world-mastering efforts but Part IV shows how different managers themselves eventually came to be somewhat mastered by corporate branding. In Foucault's (1971) words, this somewhat shows how the emergence of the interest in corporate branding was not about a decision, a treaty, a reign, or a battle but about a reversal of a relationship of forces. Actually, in the reversal of a relationship of forces, a somewhat more

unified management subject – with common interest in corporate branding – got constructed, as certain common management practices of corporate branding would serve the various interests different managers had come to have amidst the black-boxing of the taken for granted aspects and at mergers and acquisitions around the year 2000.

Concerning further the management interest in corporate branding emerging in an interstice and place of confrontation, through some play of dominations and struggle of forces, the description shows how although there was a mask of more unity of the management subject with interest in corporate branding, dispersion and non-singularity of the identity of the management remained – fairly consistent with Foucault's (1971) thinking, as well as ANT authors' emphasis on controversies and their partial settlement (Latour 1987, 2005; Law 1999a). First of all, different managers still had different interests in corporate branding – albeit somewhat settled with the common interest in corporate branding. And importantly, the power of certain managers, especially corporate marketing and corporate communications managers, who acted as active spokespersons for corporate branding, grew. Consistent with a classic idea in ANT (Callon and Latour 1981), their power grew from their becoming spokespersons for other actors' interests. In a somewhat similar vein, Foucault (1971) refers, in relation to emergence, to the usurpation of power and the appropriation of a vocabulary turned against those who had once used it. On the other hand, the description shows the issues of dispersion and power being evident also in how the interests of certain managers, especially (sales and marketing) managers of mills, divisions, and sales offices, were somewhat suppressed or Othered by corporate branding.

Figure 8: Structure and logic of Part IV.
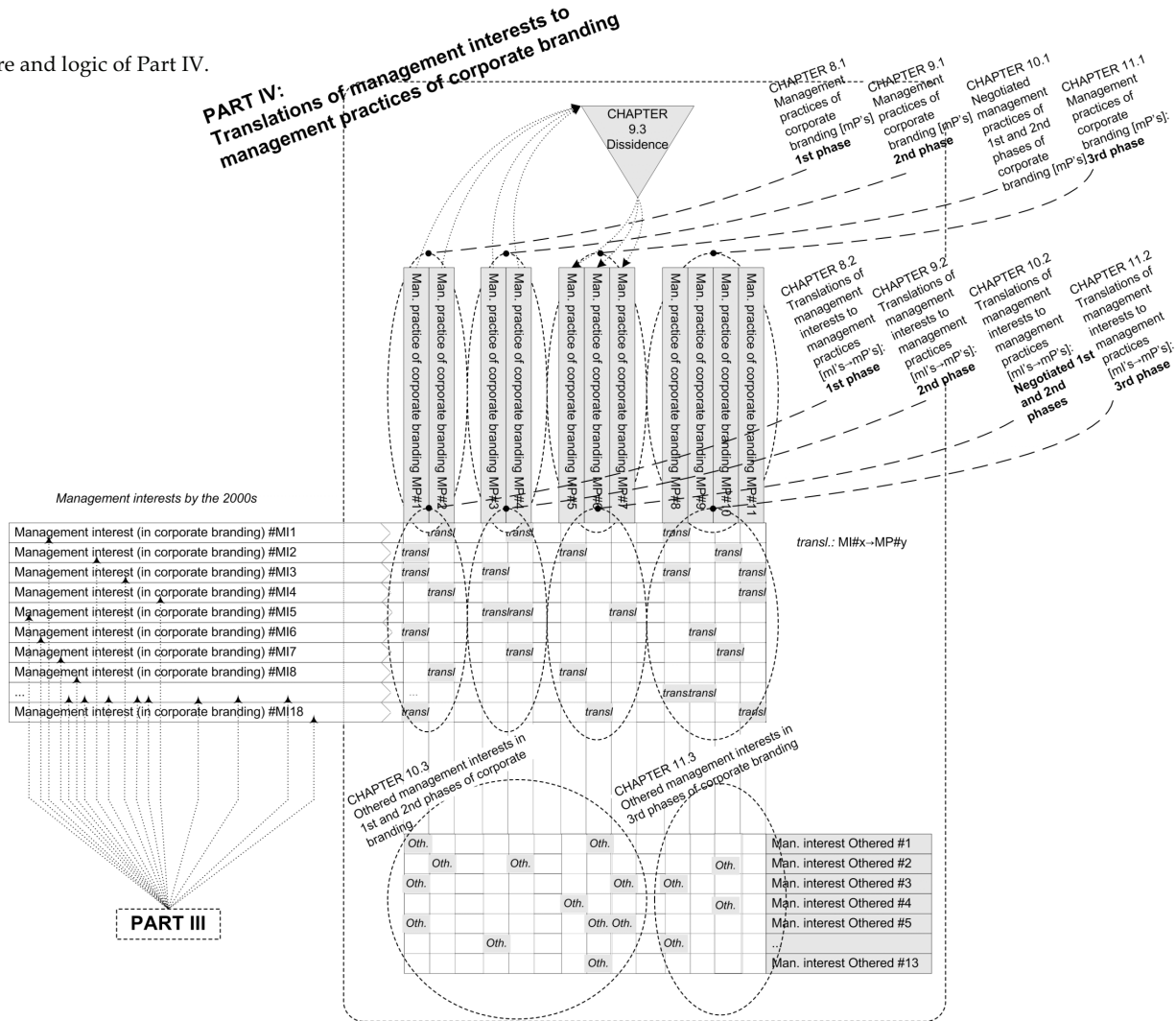
8 First phase of corporate branding

8.1 Management practices of corporate branding [mP′s]: 1st phase

8.1.1 Having one brand name – that does not refer to a mill name – for the same product produced at different mills [mP#1]

First, in the first phase of corporate branding, different managers were interested in having the same products produced by different mills at a similar quality level bear the same brand name. To the extent that different mills produced the same products, these products were to be offered to customers with one product name, instead of offering each mill's product with its own name as earlier. The product names would also be such that they would not refer to mill names.

8.1.2 Having products offered to a customer group or for an end use in a brand family [mP#2]

Secondly, in the first phase of corporate branding, different managers were interested in forming brand families for products offered to certain customer groups or for certain end uses. Products sold mostly to certain customer group, such as publishers and large printers, packaging manufacturers, other converters, commercial printers, or ordinary companies and public institutions, would be put in their respective brand families. Brand families, or sub-brand families, could also be formed by having them include products meant for certain end-uses or end-users. These could include, for instance, book-printing, business communication (e.g. pre-printed A4 sheets, targeted direct mail, high-volume bank statements), envelope-manufacturing, label-manufacturing, or packaging manufacturing for different kinds of products (e.g. tobacco, cosmectics, pharmaceuticals). Sub-brand families could also be formed by having them include products meant for certain printing technologies, such as digital printing, or products of some established technical grades customers were familiar with (e.g. wood-free coated, slightly mechanical coated, mechanical coated, machine finished coated, super calendered, machine finished, and newsprint papers).

The products in a brand family would be made to share a part of the product name, i.e. the brand family part of the product name would be the same. A unified visual identity was to be used for the promotional and communication materials for products within the family. The names would be printed in a similar typeface and the visual style of the communication materials would be made largely similar, when it came to e.g. the use of colours and graphics within the family. A considerable amount of promotional material would be made for the family, presenting the products of the family jointly, in addition to, or often instead of, materials for individual products.

8.2 Translations of management interests to management practices of corporate branding [mI′s➜mP′s]: 1st phase

Spokespersons for corporate branding. Particularly interested in the management practices of corporate branding – in having one brand name that did not refer to a mill name for the same product produced at different mills [mP#1] and having products offered to a customer group or end use in a brand family [mP#2] – were the few marketing or marketing communications managers working at the corporate level of the P&P corporations. They considered "branding" as something essentially belonging to the domain of marketing and "corporate branding" as belonging to the domain of marketing at the corporate level – their own domain. They also considered the management of product names, or brand and brand family names, across the products of the different mills at the corporate level as belonging to their domain: like in having one brand name – that did not refer to a mill name - for the same product produced at different mills [mP#1] and having products offered to a customer group or end use in a brand family [mP#2]. Furthermore, corporate marketing and marketing communications managers could also consider the management practices of corporate branding as something which could be first and foremost their responsibilities – enlarging their responsibilities beyond the current responsibilities that concentrated mainly on the production of e.g. customer magazines and some corporate-level marketing communications and presentations, the planning of some sponsorships, and the facilitation of setting up some guidelines for marketing communications by divisions and mills.

> **Executive,** *retrospectively*:
> These two marketing and marketing communications persons that have worked here at the head office have been very active in speaking for corporate branding, right from the beginning…
>
> **Executive,** *retrospectively*:
> This corporate branding has been led by the marketing persons, at the corporate level. The corporate marketing has actually been established, in a way, at the same time. There was not so much corporate marketing before the end of 1990s.
>
> **Consultant for a corporation,** *retrospectively*:
> It is no wonder that the one or few marketing or marketing communications people at the head office were the first to become interested in corporate branding. After all, "corporate brand" readily sounded as something belonging to them. And they would think that out of this corporate branding they could get a nice position and work content for themselves.

The corporate marketing and marketing communications managers increasingly emphasized the benefits of corporate branding to other managers, including top managers, and how the management practices could serve various interests of different managers. They did this by e.g. discussions, workshops, and memos, often supporting their arguments with branding literature and the theories and views of consultants.

8.2.1 Making (direct) customers indifferent of which mill produces the products [mI#15(m&a)➜mP′s]

Having one brand name – that does not refer to a mill name - for the same product produced at different mills [mI#15(m&a)➜mP#1]

The line managers (of divisions), development managers, CEOs, sales managers, and marketing managers (of divisions) were interested, by the 2000s and particularly after

mergers and acquisitions around the year 2000, in communicating to customers that it was not the mill or machine that necessarily guaranteed the quality of a product and that the product quality did not necessarily differ across products produced with machines of different mills [ml#15(m&a)]. Although the salespeople could communicate, educate, and demonstrate to customers about the similar quality of a certain product produced by different mills, the products often had different product names – these often being names that referred to the names of the mills. This signalled to customers that the mill would make a difference in terms of the quality of the product.

> **UPM-Kymmene deputy CEO,** *retrospectively***:**
> Customers could cling to something – let's say the brand or logo or trademark – and would say that he wants e.g. Jämsä… Although the product from his local mill was evidently the same product and could be applied to the same end use.

> **Industry analyst,** *retrospectively***:**
> Not to be obliged – for God's sake – to stick with running certain products in certain machines [as determined by the buyers' old predispositions]… one reason why you want to slap "Brand X" [rather than a mill-specific brand] on top of the product is that you want to say…that when we have this kind of paper, it is okay [the quality] and it is always the same and this guy [the buyer] should not ask which machine or which mill it is coming from. You try to cut the chain right there, to say that as long as it's ours, its good. Then you get the efficiencies and the synergies out.

Thus, having the same products produced by different mills at a similar quality level bear the same brand name that would not refer to any mill name was a translation of the interest in making (direct) customers indifferent of which mill produced a certain product they ordered [ml#15(m&a)→mP#1]. Existing names would be eliminated and a new one invented with which the product produced by the different mills would be sold or one of the existing names would be retained and others eliminated and the production of the different mills would be sold with the retained name.

8.2.2 Reducing salespeople and customer confusion, preventing cannibalization of sales, and eliminating competing promotion among the corporation's products [ml#16(m&a)→mP's]

Having one brand name – that does not refer to a mill name – for the same product produced at different mills [ml#16(m&a)→mP#1]

With the corporations owning several machines at different mills, producing similar or interchangeable grades, the sales managers, marketing managers (of divisions), line managers (of divisions), and CEOs were interested, by the 2000s, and particularly after the mergers and acquisitions around the year 2000, in reducing the confusion of salespeople and customers, in preventing the cannibalization of sales of products across different mills, and in eliminating competing promotion among the corporation's products [ml#16(m&a)].

The confusion of salespeople about which one of the similar products produced by different mills they should offer to customers was increased by the products having different brand names. The salespeople had to remember what products the many brand names represented and under which brand names certain products were sold. They also had to offer the product of one mill at a time, since referring to a product with its name basically fixed the mill producing it.

> **UPM/UPM-Kymmene corporate marketing/communications manager,** *retrospectively***:**
> It's clear that for many of these 60 product names in the late 1990s, the specifications were the same… the spectrum of names was enormously wide.

> **Kymmene/UPM-Kymmene corporate marketing/communications manager,**
> *retrospectively*:
> In a way, our sales staff found it senseless to go and talk about, say, Jämsäcoat. And if the
> customer does not want it for one reason or another, you go and bring up Raumacoat [a
> similar product from another mill]… And I just wonder how many "something-coats" we had
> after the merger of UPM and Kymmene that were applicable to the same end use.

Similarly, the different brand names increased the confusion of customers about which one of
the products they should choose for a certain end-use, about whether there was some
difference between the products or not.

> **Enso/Stora Enso corporate marketing/communications manager,** *retrospectively*:
> If you think about why we did this work [with product names]. It's done also for the
> customers' sake. It's a rather confusing situation for customers if you think about it... they
> are totally lost with what all the product names mean.

> **Kymmene/UPM-Kymmene corporate marketing/communications manager,**
> *retrospectively*:
> Behind the [branding] project was the questioning of what our offering to the customer
> actually is. If you think that we had had mill-specific product brands, and we had other
> products that yielded the same end result to the customer. For instance, we produced LWC
> paper in several mills, say in five or six. And all of them had different names. But then we
> started to talk about putting some more sense into the selection we offered to customers.

On the other hand, the promotion and selling of the same product produced by different mills
with different brand names meant that it was difficult to prevent their promotion overlapping
and competing with each other and, thus, the sales of the products from competing with, or
cannibalizing, each other. Promoting and selling the products with different names would
create excessive costs, from e.g. designing, producing, and delivering separate promotional
materials and campaigns for them.

> **Metsä-Serla/M-Real marketing manager (division),** *retrospectively*:
> As a company that buys a lot of production and companies, we had a real headache with the
> brand names. There were now countless numbers of brands and in a way they were also
> competing with each other – we started to experience a kind of cannibalism phenomenon.

Thus, having the same products produced by different mills at a similar quality level bear the
same brand name was a translation of the interest in reducing the confusion of salespeople
and customers, in preventing cannibalization of the sales of products across different mills,
and in eliminating competing promotion [mI#16(m&a)→mP#1]. Existing names would be
eliminated and a new one invented with which the product produced by the different mills
would be sold or one of the existing names would be retained and others eliminated and the
production of the different mills would be sold with the retained name.

Having products offered to a customer group or end use in a brand family [mI#16(m&a)→mP#2]

Even if the products produced by different mills at similar quality levels would mostly bear
the same brand name, the salespeople could be confused by the different and different kinds
of promotion, or sales materials. Handling the sales materials and offering certain products
could be difficult if all the products – many of which were interchangeable for certain
customer end-uses – had their own different materials and with very different kinds of brand
names.

> **UPM-Kymmene corporate marketing/communications manager,** *retrospectively*:
> After the merger, this company had become so large and extensive that different people
> began to understand that even in the customer interface, the sales staff did not grasp our
> product variety very clearly. Because the naming structure and sales materials were so
> incoherent.

> **Metsä-Serla/M-Real corporate marketing/communications manager**, *retrospectively*:
> It's clear that no-one in sales can communicate this kind of varied product brand structure in a meaningful way. It does not represent anything or anyone.

Moreover, separately promoting and selling products that were somewhat interchangeable (not necessarily similar) for certain end-uses meant that it was difficult to prevent their promotion overlapping and competing with each other and, thus, the sales of the products from competing with each other. Promoting and selling somewhat interchangeable products separately with different and different kinds of materials would create excessive costs, from e.g. designing, producing, and delivering separate promotional materials and campaigns for them. Sales achieved by promoting one product would basically mean that another, interchangeable product would not be sold and promotion done for it would have been done somewhat in vain.

> **UPM-Kymmene corporate marketing/communications manager**, *retrospectively*:
> Think if you have to remember these… say 60 names. You won't manage them efficiently…

> **Enso/Stora Enso corporate communications manager (executive)**, *retrospectively*:
> Of course, when you think that two global forest companies got together, each with their own product brands… we had to make the brand names and promotion compatible so that they would support each other and not compete or overlap…

Thus, having products offered to certain customer groups or end uses promoted and sold in brand families was also a translation of the interest in reducing the confusion of salespeople and customers, in preventing cannibalization of sales of products across different mills, and in eliminating competing promotion among the corporation's products [mI#16(m&a)→mP#2]. As the products in a brand family would be made to share part of the brand name and as there would be a unified visual identity for the product communication of products within the family, it would easier for the salespeople to handle the materials and offer the products in a parallel way. Further, as much of the promotion would be created for the family and presenting the products of the family jointly, instead of creating it for individual products separately, there would not be much competing, or excessive, promotion for different products and less cannibalization of sales.

8.2.3 Emphasizing to customers the corporation's offering of a wide product range rather than that of individual products [mI#6→mP′s]

Having one brand name – that does not refer to a mill name – for the same product produced at different mills [mI#6→mP#1]

The marketing managers, sales managers, CEOs, and line managers were, by the 2000s, interested in differentiating from competition by offering a wide product range to customers and emphasizing this offering to customers rather than that of individual products [mI#6]. Communicating the wide product range effectively was, however, made difficult by the confusingly large number and variety of product names, many of which were used in promoting and selling similar products, only produced by different mills. The customers might not get a clear picture of what the product range included. This possibility was only increased by the mergers and acquisitions in the late 1990s and early 2000s: customers might not know that certain products they knew well were part of the product range of a new corporation or that the corporation's product range had been augmented by that of another corporation.

> **UPM-Kymmene corporate marketing/communications manager**, *retrospectively*:
> How can our sales staff offer our whole range efficiently if even these names don't help

> them in seeing where a particular product belongs to... I don't think you can sell anything that you can't present in a clear way.
>
> **Metsä-Serla/M-Real corporate marketing/communications manager,** *retrospectively***:**
> ... If the salesperson has difficulties in explaining it, it's even more difficult for the customer to understand it.
>
> **Enso/Stora Enso corporate communications manager (executive),** *retrospectively***:**
> Of course, managing brands after the merger and eliminating product names was related to synergies and making the product range clearer to customers.

Thus, having the same products produced by different mills at a similar quality level bear the same brand name was a translation of the interest in communicating and emphasizing the wide product range to potential customers [mI#6→mP#1]. Existing names would be eliminated and a new one invented with which the product produced by the different mills would be sold or one of the existing names would be retained and others eliminated and the production of the different mills would be sold with the retained name. Having similar products promoted and sold with only one brand name would make it easier for customers to grasp what the product range of the corporation included, as well as its width.

Having products offered to a customer group or end use in a brand family [mI#6→mP#2]

Even if the products produced by different mills at a similar quality level mostly bore the same brand name, different kinds of brand names and different kinds of separate promotional materials for the products could still make it difficult to effectively communicate and emphasize the wide product range to customers. For instance, a customer seeing, on different occasions, brochures, samples, or advertisements of different products with very different designs and very different kinds of brand names, would not necessarily grasp that the products were part of the wide product range of one corporation.

Thus, having products offered to certain customer groups or end uses promoted and sold in brand families was also a translation of the interest in emphasizing the wide product range to customers [mI#6→mP#2]. Customers would pay attention to the common parts in the brand names and to the high level of similarity in the visual styles, when repeatedly encountering materials, wrappings and packages, labels, and advertisements related to different products. Repeatedly paying attention to the brand family names and to the similarity in the visual styles – or even to the striking *lack* of distinctive characteristics to which many customers were used to – of the different products and product families, they would realize that the common denominator was the one and the same corporation producing them and offering them as a product range. Further, as considerable promotion would be made for the family and presenting the products of the family jointly, instead of for individual products separately, it would be even easier for the customer to grasp the wide product range of the corporation.

> **Enso/Stora Enso marketing manager (division),** *retrospectively***:**
> After the big acquisitions and mergers, we started to have, in the late 1990s, one of the widest product portfolios in all paper products. We found it important to emphasize this also by forming coherent brand families: from the names of the products, the style of the promotion and joint promotion for the families, customers could easily see how wide our product portfolio was.
>
> **UPM-Kymmene corporate marketing/communications manager,** *retrospectively***:**
> We wanted the customers to have a clear picture of our product range. Having coherent brand families with easy-to-remember brand names and unified product communication was considered important in achieving that.

8.2.4 Communicating a clear and focused portfolio of core products and businesses to investors and analysts [mI#2→mP′s]

Having one brand name – that does not refer to a mill name – for the same product produced at different mills [mI#2→mP#1]

The CEOs, financial managers, corporate communications managers, and investor relations managers were, by the 2000s, interested in meeting analyst and investor demands and communicating a clear and focused product and business portfolio to them [mI#2]. The analysts and investors would look into the product portfolio of the corporation and demand that it be clear and focused. Particularly investors not very familiar with the industry would have to be presented the products in a simple way. If they were presented with the large variety of product names of the corporation, including several names for the same products, they would potentially perceive the product portfolio as very unfocused and unclear.

> **UPM-Kymmene corporate marketing/communications manager,** *retrospectively*:
> If you think about it… If our salesmen and customers had a hard time grasping our "jungle" of product names, you can imagine how difficult it would have been for investors and analysts.
>
> **Stora Enso marketing manager (division),** *retrospectively:*
> It was important to have our products presented coherently and systematically with brands to investors, too. To make it visible and rather clear and easy to understand what kind of products Stora Enso is producing, that we have a clear and well-positioned product portfolio.
>
> **Metsä-Serla/M-Real financial manager/ deputy CEO,** *retrospectively*:
> Investors appreciated clarity and transparency, also in product names and brands, simplicity.

Thus, having the same products produced by different mills at a similar quality level bear the same brand name was a translation of the interest in communicating a clear and focused product and business portfolio to investors and analysts [mI#2→mP#1]. Having each product promoted and sold with only one brand name would make them perceive the product portfolio as clearer and more focused.

Having products offered to a customer group or end use in a brand family [mI#2→mP#2]

Even if the product names produced by different mills at a similar quality level would mostly bear the same brand name, different kinds of brand names and different kinds of separate promotional materials for the products could still make it difficult to effectively communicate a clear and focused product portfolio to investors and analysts. If presented with the brand names of the corporation, seeing their heterogeneity, investors and analysts could potentially perceive the corporation's product portfolio as unclear and unfocused.

Thus, having products offered to certain customer groups or end uses promoted and sold in brand families was also a translation of the interest in communicating a clear and focused product and business portfolio to investors [mI#2→mP#2]. As the products in a brand family would be made to share part of the product name and there would be a unified visual identity for the product communication of the products within the family, investors and analysts would, when presented with the few, well-structured brand families, perceive the corporation's product portfolio as quite clear and focused. The product portfolio could be presented to them in the form of brand families e.g. on the corporate website, in magazines targeted to investors, or in investor meetings[771].

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[771] Interviews (e.g. with Elovainio 31.1.2005).

> **Stora Enso marketing manager (division)**, *retrospectively*:
> It's important to have the brand families appear coherent and systematic, for instance, on the website. It's important to give investors a clear picture of what we are, what our product portfolio includes, what is our position with the products, and what product areas we are covering. It's about giving a systematic, focused image and show that we are covering the product areas in a very systematic, clear and well-structured way.

8.2.5 Emphasizing the corporation's brands to analysts and investors [mI#3→mP′s]

Having one brand name – that does not refer to a mill name - for the same product produced at different mills [mI#3→mP#1]

The CEOs, financial managers, corporate communications managers, and investor relations managers were, by the early 2000s, interested in emphasizing the brands of the corporation to investors and investment analysts [mI#3]. If the same product produced by several mills had different names, and even names referring to the names of the mills, the investors would most likely view the product names as mere identifiers of products and not brands or strong brands in any way.

Thus, having the same products produced by different mills bear the same brand name which would not refer to the names of any mills was a translation of the interest in emphasizing the brands of the corporation to analysts and investors [mI#3→mP#1]. Each product promoted and sold with only one name would make investors perceive the product names more as brands, even strong brands, rather than mere identifiers of products, even products produced at certain mills. This concerned even products sold to direct customers: investors could be given the impression that the corporation had strong brands also there, even if the actual brand names were of little significance to those customers. These customers would mainly trust the quality of products produced by certain mills, rather than the quality of products sold with certain brand names. They were usually also experts in reading the technical specifications of products and could, based on that, infer the quality. Moreover, if to anything at all, they would be emotionally bonded to mills or the corporation rather than the product brands.

> **Metsä-Serla/M-Real deputy CEO**, *retrospectively*:
> After we had done away with the many mill-specific product names, it was easier to show also to analysts and investors that we had these kinds of brands. At least, the product names appeared more like brands, for instance with products sold mainly business-to-business, directly to customers. For investors, brands make difference.
>
> **UPM-Kymmene corporate marketing/communications manager**, *retrospectively*:
> Eliminating the mill-specific names also helped in convincing analysts and investors a little that this kind of company can also have some kind of brands.
>
> **Investment analyst**, *retrospectively:*
> The companies have also brought up their brands in investor presentations, particularly after having gotten rid of the mill-specific product names and rebranded the products. The mill-specific product names had not been real brands, I think. They had the same product made at many different mills with different names.

Having products offered to a customer group or end use in a brand family [mI#3→mP#2]

Having one brand name for each product would not necessarily convince investors and analysts much about the strength of the brand names, particularly if the brand names were very different. If presented with the brand names of the corporation, seeing their

heterogeneity, they could potentially be unconvinced that all those brands could be very strong brands.

Thus, having products offered to certain customer groups or end uses promoted and sold in brand families was a further translation of the interest in emphasizing the brands of the corporation to analysts and investors [ml#3→mP#2]. Investors would potentially, when presented with only the few brand family names and brands within the families, perceive these as stronger. The existence of the brand families would make investors perceive the product names again more as brands, even strong brands, rather than mere identifiers of products. The brand families could be presented to them e.g. on the corporate website, in magazines targeted to investors, or in investor meetings.

> **Metsä-Serla/M-Real executive,** *retrospectively***:**
> Having these brand families, for instance Galerie and Avanta, which included mainly products sold directly to packaging manufacturers, we could present them also to investors as our strong brands.

> **Investment analyst,** *retrospectively:*
> When the companies started to have these brand families also with products sold directly to publishers, converters, etc., they started to present them as their brands. For instance, here I have slides from one of UPM-Kymmene's capital market days… They have these UPM Satins and UPM Stars and UPM Ultras etc. And of course, as an analyst, you start to think what meaning those would have. What kind of business this is. If it could, after all, be more like B2C, with strong brands and all.

8.2.6 Having employees identify themselves with and be proud of the corporation [ml#18(m&a)→mP′s]

Having one brand name – that does not refer to a mill name - for the same product produced at different mills [ml#18(m&a)→mP#1]

By the 2000s and particularly after mergers and acquisitions around the year 2000, the CEOs, human resources managers, and line managers (of divisions) were interested in reducing suboptimization below the corporate level and change resistance with respect to e.g. corporate strategies and goals, management styles, and ways of working, and having employees identify themselves with and be proud of the corporation [ml#18(m&a)]. However, products produced by a mill having their mill-specific names would make the employees of the mill proud of these product names and of their own mill as the particular producer of these products, rather than proud of the corporation – or for the products or product names of the other mills. In a similar vein, they would identify themselves, to some extent, with the products or product names of their mill and with their mill, rather than with the corporation. This was a risk in the form of a potential increase in suboptimization behaviour at the mills, as well as in terms of potentially higher change resistance.

Thus, having the same products produced by different mills mostly bear the same brand name which would not refer to any mill names was a translation of the interest in having employees identify themselves with and be proud of the corporation [ml#18(m&a)→mP#1]. As the products produced by the mills would not have mill-specific names and as products produced by many mills could have same name, the employees at a given mill would be prouder of the products and product names of other mills of the corporation, too, and, thus, of the corporation itself. Similarly, they could also identify themselves more with the corporation and all of its mills.

> **Metsä-Serla corporate communications manager,** *retrospectively:*
> Eliminating the mills' and subsidiaries' own product names would make a difference also in terms of what the employees would identify themselves with. If you leave the mills with all

their product names, the employees tend to be very proud of them and of themselves as the producers. That's natural. But it would be better to have the employees identify themselves more with the corporation and its products and product names and be proud of having their part in the production of those products.

Enso/ Stora Enso line manager (division, executive), *retrospectively:*
One often does not remember that product names are important also in terms of the identification of employees. Many employees have a sense of pride and it's nice for them to see the name of their mill or the corporation in the product or packaging. But we would want them to be proud of the products of the corporation so as to have them identify more with the corporation and work for the corporation rather than only for their mill. Brands should be brands of the corporation, not brands of mills.

Having products offered to a customer group or end use in a brand family [ml#18(m&a)➔mP#2]

Naturally, not every product by far would be produced by many mills of the corporation. With these kinds of products, the brand name used would be produced only by one mill. The employees of the mill would be proud of such a product name and for their own mill as the particular producer of the product, rather than of the corporation. And again, they would identify themselves, to some extent, with such a product or product name of their mill and with their mill, rather than with the corporation.

Having products promoted and sold in brand families could also be a translation of the interest in having employees identify themselves with and be proud of the corporation [ml#18(m&a)➔mP#2]. As the different products in a brand family could be made to share part of the product name even if they were produced by different mills, employees could be more proud of and identify themselves with the brand family and thus for and with the products of other mills of the corporation, too. And particularly after acquisitions and mergers, having the products and product names of the merging companies integrated into brand families ranging across products produced by mills would contribute to the employees' identification with and being proud of the new corporation.

Metsä-Serla/M-Real corporate communications manager, *retrospectively***:**
It was thought that building brand families across mills would in some measure also strengthen the identification of employees with the corporation and slightly weaken their identification with the mills or individual products. And especially after the many acquisitions, having some common brand families became important – letting all the acquired companies keep all their brand names on their own would not have helped in making the employees of those subsidiaries identify themselves as part of our corporation.

8.2.7 Developing and maintaining strong product brands and brand families [ml#5➔mP′s]

Having one brand name – that does not refer to a mill name – for the same product produced at different mills [ml#5➔mP#1]

Having one brand name for the same product from different mills, not referring to a mill name, would mean that existing brand names would have to be changed or eliminated. Existing names would be eliminated, particularly if they included a reference to a mill, as usual, and a new one invented with which the product produced by the different mills would be sold. Or, one of the existing names could be retained and others eliminated and the production of the different mills would be sold with the retained name. To the extent that existing brand names would be changed or eliminated, the management interest in developing and maintaining strong product brands could be translated into choosing the name to be used for a product [ml#5➔mP#1]. If one of the existing brand names was a fairly strong

brand among customers, it would be maintained. These brand names could be retained or only modified a little and the strength maintained – other mills producing similar products could be made to sell their products with the same name. If none of the brand names was particularly strong, a new name could be invented.

Having products offered to a customer group or end use in a brand family [mI#5→mP#2]

To the extent that existing brand names would be changed or eliminated in forming brand families, the management interest in developing and maintaining strong product brands could be translated in choosing the names to be used for products [mI#5→mP#2]. If one of the existing brand or brand family names was a fairly strong brand among customers, it could be maintained and other products offered to the same customer group or end use could be made to share part of the name, or the family name, if possible. If none of the brand names offered to a customer group or end use was particularly strong, a new brand name and brand family name could be invented.

8.2.8 Increasing (direct) customer awareness of the corporation as a paper and board supplier [mI#8→mP's]

Having one brand name - that does not refer to a mill name - for the same product produced at different mills [mI#8→mP#1]

Even if most large direct customers, such as publishers, large printing houses, packaging manufacturers, converters, and merchants, were already aware of the Finnish P&P corporations as large paper and board suppliers, the marketing managers, sales managers, corporate communications managers, CEOs, and line managers were, by the 2000s, interested in increasing customer awareness of the corporation [mI#8]. Having one brand name that does not refer to a mill name for the same product produced at different mills would be one translation of the interest in increasing customer awareness of the corporation as a paper and board supplier [mI#8→mP#1], to the extent that the number of brand names in the corporation's portfolio would be reduced. Namely, the more brands the customers would be offered in different occasions or at the same time by the corporation or intermediaries, the more the customers' attention would be divided between the different brands and the less the customers would pay attention to the fact that there was one corporation behind all of them. On the other hand, if the brands were reduced significantly, it would be easier for customers to remember that the particular brands and brand families were actually offered by just this one and the same corporation, increasing their awareness of the corporation.

> **Metsä-Serla/M-Real corporate marketing/communications manager,** *retrospectively***:**
> From the acquisitions of e.g. Modo and Zanders, we obtained a lot more brands. One problem was that if we promoted very many brands, our customers would not remember them or have a clear picture of that they were M-Real's brands or what brands were those of M-Real. Perhaps they would be aware of individual brands but not of M-Real behind them.

Having products offered to a customer group or end use in a brand family [mI#5→mP#2]

Also having products offered to a customer group or end use as part of a brand family would be a translation of the interest in increasing customer awareness of the corporation as a paper and board supplier [mI#8→mP#2], to the extent that the number of brands and brand families of the corporation would be reduced.

[UPM-Kymmene]

At UPM-Kymmene, management interest in having only one brand name for the same product from different mills, without reference to a mill name, began to be strong by the end of the 1990s after the merger of UPM and Kymmene and the dismantling of Finnpap. This concerned first its most important products, i.e. publication paper products sold in reels. The interest in having products offered to a customer group or end use as part of brand families also began to be strong. UPM-Kymmene had come to produce many standard publication paper grades at several mills around Europe and had harmonized the qualities of products of the many mills, but most mills had their own product names for the products. First, in 1999, similar publication paper products were renamed so that similar products produced by different mills came to have the same brand name. Over 60 brand names, including similar products sold with several different names, referring to mill names, were eliminated. New names were invented, since the existing names were not considered particularly strong, and 16 sub-families were formed at the same time. The sub-families were based on the more detailed end-use of the product and on the basis of technical grades:

> "UPM Art" (wood-free coated/WFC) and
> "UPM Finesat" (wood-free uncoated/WFU)
> "UPM Fineset" (wood-free uncoated/WFU)
in coated fine papers;

> "UPM Star" (medium weight coated/MWC)
> "UPM Ultra" (light weight coated/LWC),
> "UPM Cote" (LWC),
> "UPM Satin" (machine-finished coated/MFC),
> "UPM Cat" (super calendered/SC),
> "UPM Lux" (SC), and
> "UPM Max" (SC)
in magazine papers; and

> "UPM Pro" (machine-finished coated/MFC)
> "UPM Brite" (machine-finished specialty/MFS),
> "UPM Colour" (MFS),
> "UPM Opalite" (MFS),
> "UPM Book" (MFS), and
> "UPM News" (newsprint)
in newspapers and specialty papers

Within these 16 brand families, there would be brand names with different additional letter, number, or term attributes, suggesting e.g. the printing method, such as rotogravure, coldset web offset, heatset web offset, sheet fed offset, or flexo; or the finish of the product, such as gloss, premium silk, classic silk, or matt. For instance, "UPM Art g" would be coated fine paper with gloss finish and "UPM News H" would be newsprint paper for heatset web offset printing. Moreover, each product would be available in different basis weight variants, but for those variants there would not be specific attributes in brand names.[772]

The publication papers "rebranded", management interest in having only one brand name for the same product from different mills remained strong and was reinforced e.g. by positive feedback from customers and salespeople about the clarity of the naming structure and the support the corporate brand was giving to the brand names. In 2001–2002, the naming of the fine paper products was further refined: products in the "UPM Art" and "UPM Fineset/Finesat" brand families, as well as similar products still produced at the Nordland mill with different names, "NopaCoat" and "NopaSet", were given unified names and shifted into the "UPM

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[772] Käyhty, Veijo (1999), "Uudet tuotemerkit helpottavat asiakkaan valintaa", *UPM-Kymmene Watch,* 4, pp. 8–11.
Interviews (with Järventie-Thesleff 29.12.2004; Piironen 17.1.2005; Harrela 24.3.2005).

Finesse" and "UPM Fine" families. This meant that there would be an attempt to start promoting also sheet versions of these fine papers with the new names.[773]

Preprint papers, in turn, used typically in personalized business communications, i.e. invoices, letters and bank and insurance company messages were given unified names and put into their own brand family in 2002[774]. The product family came to have the name "UPM Preprint", with product subfamilies such as

> "UPM PreLaser"
> "UPM PrePersonal"
> "UPM PrePremium", and
> "UPM PreInsert".[775]

Other products, where renaming was done so that there would be one name for the same product from different mills and so that products offered to a customer group or end use would be grouped into brand families, included e.g. the newly-developed versions of the publication and graphic papers for digital printing. They were put into "UPM DIGI" family:

> "UPM DIGI Finesse",
> "UPM DIGI Laser",
> "UPM DIGI Jet"
in fine papers for digital printing;

> "UPM DIGI Star",
> "UPM DIGI Cote",
> "UPM DIGI Satin", and
> "UPM DIGI Lux"
in magazine papers for digital printing; and

> "UPM DIGI Brite",
> "UPM DIGI Colour", and
> "UPM DIGI News"
in newspapers for digital printing.[776]

Moreover, after further acquisitions were made, e.g. that of Haindl, the products of the acquired companies were renamed and other renamings were done with the same interests in having one brand name for the same product from different mills, without reference to a mill name, and in having products offered to a customer group or end use in brand families. For instance, some of Haindl's products were renamed as follows[777]:

> "VALSAultra", "VALSAlux" → "UPM Cote"
> "VALSAsatin", "VALSAmatt" → "UPM Satin"
> "ASCAnorm" → "UPM Max"
> "SOGAtop-super", "ECOSET" → "UPM Eco"
> "ASCASatin" → "UPM Eco S"
> "SOGAtop" → "UPM Brite"
> "SOGAnorm", "ECONEWS" → "UPM Norm"
> "ASCAnorm" → "UPM Max"
> "SOGAtop", "ECOGRAVURE"   → "UPM Eco"

[Enso/Stora Enso]

By the mid 1990s, Enso was selling quite a few products with "Enso" in their brand names. Giving products names with the "Enso" prefix had traditionally been a somewhat arbitrary practice and there had been many deviations from it, albeit that there was even the fairly strong brand family in board products sold e.g. as graphic boards via merchants to commercial printers, such as "Ensocoat", "Ensogloss", and "Ensocard" (see section 6.2.4). Then, after the

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[773] Holtaway, Jerry (2001), "New branding strategy sets stage for future growth", *The Griffin,* 3, pp. 16–19.

[774] Forsberg, Päivi and Doris Lonnemann (2002)., "Preprint – A printing process with special requirements", *The Griffin,* 2, pp. 29–31.

[775] UPM-Kymmene website, http://w3.upm-kymmene.com/upm/internet/cms/upmcms.nsf/$all/0FB7D423D35CF61FC22570CB004ADEB3?OpenDocument&qm=menu,2,0,0 (Accessed 25.12.2004).

[776] Ibid.

[777] UPM-Kymmene website, http://www.paperbrands.upm-kymmene.com/old_brand2.html (Accessed 5.11.2005).

acquisitions of Tampella Forest and Veitsiluoto, there was emerging management interest, particularly among division line managers, in having products offered to a customer group or end use in brand families. Some interest in having only one brand name for the same product from different mills started to also emerge. The interests were somewhat strong, as newsprint, book papers, and some magazine papers were named to be part of the "Enso" family. For instance, Tampella's products "Tamblue", "Tamplus", "Tamlux", and "Tamedia" were renamed to "Ensoblue", "EnsoPlus", "EnsoLux", and "EnsoMedia" to accompany products such as "EnsoSuper" and "EnsoSilk". On the other hand, the "Lumi" family obtained from Veitsiluoto and including coated LWC and MWC magazine papers "LumiNova" and "LumiBlade", and wood-free coated fine papers "LumiArt" and "LumiSilk", which were sold mostly in sheets and were somewhat strong brands, were retained. New fine paper products would be put into the "Lumi" family, such as "LumiMagic" later. Moreover, "Solaris" was retained as a brand for MFC paper and the Tervakoski mill's "Ter" family of special papers, as well as the "4cc" and "Berga" families.[778]

Nevertheless, the interest in having products offered to a customer group or end use in brand families and having one brand name for the same product from different mills did not become strong widely among top managers until after the merger with STORA at the end of the 1990s.

> **Enso/Stora Enso marketing manager (division),** *retrospectively*:
> Already after the mid 1990s, after the Veitsiluoto merger, there was some interest among the top management in rationalizing the brand names and forming stronger brand families of, for instance, our publication paper products. But I would say that it wasn't until around 1999, after the Stora merger, that the top management really became more interested in this.

After the merger and harmonization of quality across the many products of different mills, the corporation produced similar products at different mills with different brand names. Stora had had most of its publication paper products in its "Press" family, whereas Enso in the "Enso" and "Lumi" families. There were also individual brand names, such as Enso's "Solaris" (Kotka mill) and "Maxa-SC" and "Maxa-MF" (Maxau mill, Germany). Many of the products with different names were similar in quality or interchangeable for a certain end use. Also in products sold via merchants in sheets, there were products that were highly similar or interchangeable for certain end-uses, such as the coated fine papers "LumiArt" and "LumiSilk" (Enso: Oulu mill, Finland), "Multiart" (Stora: Nymölla mill, Sweden) and "G-Print" (Stora: Grycksbo mill, Sweden) and "MediaPrint" (Stora: Uetersen mill, Germany).

The interests in having the products offered to a customer group or for an end use in brand families and in having one brand name for the same product from different mills were strong, as renaming of the products was started. Particularly, in publication papers sold directly to customers, "Press" was considered a fairly strong brand family with sub-brand families based on more detailed end-uses and technical grades, and the other publication paper products would be put into the "Press" family and its sub-brand families, since 2000–2001. When it came to products produced by many mills, for instance, the SC magazine paper products (e.g. "Maxa-SC") of Maxau mill were renamed "PubliPress" and "EnviPress" which were names under which similar products were produced by other mills, such as Langerbrugge (Belgium), Reisholtz (Germany) and Kvarnsveden (Sweden). On the other hand, products

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[778] Mikkonen 1995.
[779] Stora Enso website, "Products>Publication Papers", http://www.storaenso.com/CDAvgn/main/0,,1_-1101-4783-,00.html (Accessed 15.11.2005).
Anon. (b) (2001), "Tervetuloa, NovaPress", *Stora Enso Global,* Maaliskuu, p. 36.
[780] Stora Enso website, "Products>North America", http://www.storaenso.com/CDAvgn/main/0,,1_-4427-5385-,00.html (Accessed 15.11.2005).

produced by only one mill were renamed, where needed, to have them belong to the "Press" families. For instance, the MFC paper "Solaris" of the Kotka mill (Finland) was renamed "SolarisPress" and that of the Anjala mill (Finland) "StellaPress"; and the LWC magazine paper "LumiNova" of the Veitsiluoto mill (Finland) was renamed "NovaPress", which would also be the name that the Kabel mill's similar products bore.[779] Furthermore, when acquisitions were made, such as that of Consolidated Papers in the USA in the year 2000, the publication paper products obtained were mostly renamed to fit into the "Press" family. Some products were named according to names of similar products produced at European mills; products of a different kind or quality were given names such as "PolarisPress" (MWC), "CapriPress" (MWC), "ConsoPress" (LWC), "SuperiorPress" (SC).[780]

When it came to graphic papers, graphic boards, and packaging boards, similar renamings with the same interests in having one brand name for the same product from different mills, without reference to a mill name, and in having products offered to a customer group or for an end use in brand families were also being planned and pursued by the managers.

[Metsä-Serla/M-Real]

At Metsä-Serla, management interest in having products offered to a customer group or for an end use in brand families and in having one brand name for the same product from different mills started to emerge after the acquisition of Kyrö's paperboard business in 1995. Metsä-Serla had come to produce similar paperboard grades at Kyrö as at the Tako and Äänekoski mills and many identical grades could have different names, often referring to the mill that produced it. The management interests were somewhat strong, as the products of the three mills were given new names to form brand families based on the end-use of the products in 1996. Renamings were made to move from over 60 brand names, many of which represented similar products, only from different mills, to three brand families. First, "Galerie", a somewhat strong brand among e.g. commercial printers in graphic boards remained the brand family name of paperboads sold as graphic boards, but the family came to include such boards produced by all the mills – particularly Kyrö's products were renamed. Second, paperboards sold for packaging purposes as cartonboards – including some technical product grades sold also as graphic boards – were put into a new family called "Avanta". In addition to Äänekoski's, Kyrö's, and Tako's products, some packaging papers from Kangas and the half-owned German Dachau mills were given "Avanta" names. Third, wallcovering base material boards of the Äänekoski, Kangas, and Kyrö mills were renamed to form the "Cresta" family. All the three families came to have sub-branded products destined for more specific end-uses. For instance, in the Avanta family, there would be six sub-brands: "Avanta Prima", "Avanta Plus", "Avanta Ultra", "Avanta Super", "Avanta Foil", and "Avanta Natur".[781]

Similar interests were emerging with respect to Metsä-Serla's paper business. They were somewhat strong, as the paper products of Metsä-Serla's mills in Finland, except for office papers, were named or renamed to be part of the "Galerie" family, to accompany "Galerie Art" of Äänekoski and "Galerie Brite" of Kirkniemi. In 1996, for instance, Kirkniemi's light LWC paper "FCO" was renamed "Galerie Lite" and a new coated fine paper produced by Kirkniemi's new paper machine was named "Galerie Fine".[782] In 1997, products tailored for digital presses, to be produced by Äänekoski and the newly-acquired Biberist mill, were named

[781] Sahlstedt, Jorma (1996), "Focused branding strategy for Metsä-Serla paperboards" (editorial), *Metsä-Serla News,* p. 2.
Laiho, Sinikka (1996), "New brand names for Metsä-Serla paperboards", *Metsä-Serla News,* 3, pp. 4–7.
[782] Lindberg, Leif (1996b), "Galerie Fine is the answer to our prayers", *Metsä-Serla News,* 2, pp. 4-7.

to form the "Galilei" family of products, including sub-brands such as "Galilei Opal" produced at Biberist and "Galilei Art Silk" and "Galilei Art Gloss" produced at Äänekoski[783].

Nevertheless, the interest in having products offered to a customer group or for an end use in brand families and having one brand name for the same product from different mills did not become strong widely among top managers until the year 2000 when Modo Paper and Zanders were being acquired and the managers started to shift the responsibility for marketing, also for paper products, more to the division level from the mill level (see section 7.1.4 and management interest mI#16). After all, not much had been done for brand names obtained from the acquisitions of Biberist and UK Paper in 1997–1999. For instance, Metsä-Serla's existing mills and the new ones had continued to produce similar products with different brand names, and brand families of the corporation's products for certain customer groups and end-uses had not been formed across existing brands and brand families. This had been the case despite the fact that there had been transfers of production of certain products from one mill to another specializing on that, as well as cessations of production for certain unprofitable products, which had meant the elimination of many product brands produced by individual mills[784].

> **Metsä-Serla/M-Real deputy CEO,** *retrospectively***:**
> Having similar products produced at different mills sold with the same names, forming brand families etc. became an interest also at the top management level maybe in the year 2000, after the acquisition of Modo.

After the acquisition of Modo Paper, the top managers were widely interested in having products offered to a customer group or end use in brand families and having one brand name for the same product from different mills.

8.3 Dissidence

Although the management interests in having one brand name for the same product from different mills that did not refer to a mill name [mP#1] and forming brand families to include products offered to a customer group or for an end use [mP#2] were strong, there were other interests that called for negotiations to these management practices. These interests related mostly to products sold via merchants.

In mergers and acquisitions, the corporations had, by the 2000s, come to own several brands and brand families that were sold largely via merchants e.g. to commercial printers (graphic/al papers) or to ordinary businesses and public institutions (office papers). Basically for a certain product, a corporation could own many brands under which the product was sold. Many of these brands were somewhat strong, either locally in some market areas or more generally, in many market areas. Eliminating some of the brand names to have one brand name for the same product from different mills and to form brand families to include products offered to a customer group or for an end use was problematic. First of all, it was against the interest of building and *maintaining* strong brands and brand families.

> **Metsä-Serla/M-real marketing manager (division),** *retrospectively***:**
> We maintained some brands there. For instance, we wanted to maintain some local brands that are well known and strong in certain countries. We would not like to kill all the strong brands just for the other interests or because it's nice to kill brands.

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[783] Lindberg 1997a, 1997b.
[784] Lindberg 1997b; Vuori 1997; Holopainen 1999.

In principle, this interest *per se* would be weaker than e.g. that of preventing cannibalization of sales and eliminating competing promotion among the corporation's products, particularly as the brands were becoming weaker anyway, due to the commoditization of the products. Nevertheless, there were particular demands by merchants, in the late 1990s and early 2000s, that were strong enough to make line managers, CEOs, marketing managers, and sales managers interested in not eliminating some of the brand names. First, many merchants selling the products demanded that they could continue selling certain products with the existing brand names[785]. They could consider that the strength in the brands helped their own business. Moreover, often they were not willing to change their promotion materials just to accord to the name change of products and even if they were, they could demand that the corporation covered the costs of changing the materials[786]. As the managers, particularly the division line managers, were not necessarily willing to cover the costs, there was a further interest in not changing the product names. Second, many merchants demanded to be able to act as the exclusive seller of certain brands in their market areas. If the corporation wanted to sell the same products in the same market areas via other merchants, too, it might have to maintain more than one brand. This was particularly true, as the merchants were becoming larger and larger chains, covering many market areas, e.g. almost the entire Europe – albeit that most large merchants were already selling most of their products under private label brands.[787]

If the merchants' demands were not succumbed to in terms of maintaining brands, they could stop buying and selling the corporation's products altogether and buy the products from other producers, perhaps to be sold as private label brands. Thus, the managers were interested in maintaining many of the brands in relation to products sold via merchants. Nevertheless, with some products sold directly there could also be interests strong enough to prevent eliminating or changing some of the brand names. Of course, direct customers could also be accustomed to the product names as identifiers of certain products and they could even be somewhat strong brands and the costs of changing the promotion materials could be considered high. But there could also be special problems. For instance, in relation to the paperboard used in packaging manufacturing, a new name for a product could mean that certain customers and certification agencies considered the product a new product and demanded new tests, e.g. shelf life tests, and new certification for the product, which could even take years[788]. Moreover, if a certain same product was sold both directly to certain large customers and via merchants to certain customers and there was interest in maintaining the brand name to the extent the product was sold via merchants, there was interest in maintaining the brand name also with respect to the product sold directly, so as to prevent customer confusion.

On the other hand, in forming brand families to include products offered to a customer group or for an end use, there could be the problem that a certain product could be used by many customer groups for many end-uses. Having the brand name for a certain product differ according to the customer groups or end uses would potentially create confusion among customers and salespeople, as well as excessive costs.

Finally, the managers had interest in letting a merchant chain potentially owned by the corporation to build and maintain its own private label brands and brand families. This concerned particularly Stora Enso and Metsä-Serla, which owned merchant chains in the late

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[785] Interviews (e.g. with Olsson 21.10.2005).

[786] Interviews (e.g. with Karhu 9.11.2005).

[787] Interviews (e.g. with Taukojärvi 30.9.2005; Lahtinen 11.1.2005; Tuomarila 18.3.2005).

[788] Interviews (e.g. with Karhu 9.11.2005).

1990s. The merchant could reduce its own costs of promotion by having its own brand families. Also, the private label products would be sold for a slightly lower price than those branded with the corporation's own brands, so that lowest-price-seeking customers could be attracted. On the other hand, the managers had interest in selling the products with the corporation's own brands for a higher price. Further, maintaining the private label products would give the merchant the possibility of buying the production of paper producers other than the owning corporation, to be sold under the private label brand. The merchant could make producers compete for the production of its private label brands, particularly when the own corporation would not need to sell additional volumes through the own merchant chain. Thus, there were strong interests in maintaining the private label brands of the merchants owned by the corporation.

[Metsä-Serla/M-Real]

Biberist, UK Paper, Modo and Zanders, which were targets of Metsä-Serla's significant acquisitions in 1996–2001, were first and foremost fine paper producers. In graphic fine papers which were sold via merchants e.g. to commercial printers, Metsä-Serla already had its own, fairly strong "Galerie" brand family of coated papers. In fine papers sold via merchants eventually to ordinary companies, public institutions, and consumers – office papers – it had the "Amicus" brand family. With the acquisitions, Metsä-Serla came to own several more corresponding brands and brand families. A certain product of certain quality could now be produced by many mills and sold with many brands. Also highly substitutable products for certain customer groups and end uses could be sold with many brands. Many of the brands obtained from the acquisitions were somewhat strong, either locally in some market areas or more generally, in many market areas. From the acquisition of Biberist, Metsä-Serla had obtained graphic paper brands which were fairly strong among local printing houses around Switzerland: for instance, the coated fine paper brands "Allegro", "Furioso", and "Renato"[789]. From the acquisition of UK Paper, in turn, it had obtained strong local brands, also in graphic papers, such as the coated fine paper brand "Nimrod" and the uncoated fine paper brand "Crossbow". Moreover, from this acquisition, Metsä-Serla had obtained the office paper brands "Evolve" and "Logic". These were fairly strong brands particularly in the UK.[790]

From the acquisitions of Modo Papers and Zanders, Metsä-Serla would obtain a further few strong brand families. From Zanders, Metsä-Serla would obtain the "Zanders" brand itself, which was strong among printing houses, graphic designers, and advertising agencies, especially in Central Europe and especially when it came to special design and letterhead papers. Under the "Zanders" umbrella brand family, there were also particularly strong specific product brand families, such as "Zanders Ikono" and "Zanders Chromolux". The "Ikono" family included premium coated fine papers for demanding graphic uses and the "Chromolux" family special premium cast-coated paper and board products for luxury packaging and graphic uses.[791] Further, from Modo Papers, Metsä-Serla would obtain the "Euro" brand family, somewhat strong in coated fine papers, and the "Modo" brand family, strong in e.g. uncoated fine papers for business communications and converting uses. The product brands of the families, such as "EuroArt", "EuroBulk", and "Modo" were fairly strong among certain European markets, such as Scandinavia. From Modo Papers, certain brands that were somewhat strong among local German and Central European customers would also be

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[789] Vuori 1997.

[790] Jeffreys 1999.

[791] Tuovinen, Juha (2001), "Zanders and the joy of reading", *M-Real Insight,* 2, pp. 15–19.
Interviews (with Tuomarila 18.3.2005; Rysä 21.1.2005; Toiviainen 26.1.2005).

obtained, such as "Tauro" in uncoated fine paper products. In addition, Metsä-Serla would obtain Modo's "Data" brand family, which was quite strong in many European markets among companies, institutions, and even consumers. This family included strong office paper brands, the strongest being "DataCopy".[792]

Eliminating some of these brand names to have one brand name for the same product from different mills and to form brand families to include products offered to a customer group or for an end use was somewhat against the interest of maintaining strong brands and brand families. But also, demands of many merchants selling these products were strong enough to make the line managers, CEOs, marketing managers, and sales managers interested in not eliminating the brand names. They could demand, for instance, to be able to continue selling products with the existing brand names, were not willing to change their promotional materials, wanted to be exclusive sellers of certain brands in their market areas – whether it may concern e.g. "Galerie Art", "EuroArt", "Tauro", "Zanders", "Allegro" or "Furioso" or "Nimrod" in coated fine papers, or "DataCopy", "Evolve", "Logic", or "Amicus" in office papers.[793]

Even when it came to one of the largest pan-European merchants, that Metsä-Serla would own (later Map Merchants) after combining Modo Merchants obtained from the acquisition of Modo Paper with its own merchant chain, the managers were more interested in letting it build and maintain its own private label brands and brand families in order to optimize its business than in forcing it to sell some of the producer brands of the corporation.[794]

[Enso/Stora Enso]

Enso, later Stora Enso, was not focusing heavily on producing fine paper like Metsä-Serla, but would produce and sell a wide range of other papers. Indeed, for Stora Enso, publication papers, sold directly to e.g. publishers and large printing houses and ranging all the way from newsprint to fine papers, were a very important part of paper business. But when it came to graphic papers and office papers, most of which were fine papers, Stora Enso's sales would still be approximately as extensive in absolute terms as those of Metsä-Serla's, and the corporation was in a somewhat similar situation as Metsä-Serla after the Enso-Stora merger.

In graphic papers, Enso already had, in the late 1990s, its own, fairly strong "Lumi" brand family of coated papers. Also, there was the fairly strong brand family of papers for digital presses, "4cc". In office papers Enso had the "Berga" family of products and "4cc" was also sold as colour copy office paper, to some extent. These were the somewhat strong brands of Enso. Then, the merger with STORA brought additional, corresponding brand families to the corporation. Fairly strong were particularly the "Print" and "Multicopy" families. For instance,"G-Print" and "MediaPrint" were coated fine papers sold via merchants to commercial printers, and e.g. "TerraPrint" and "NeoPrint" coated magazine papers. "Multicopy", on the other hand, was one of the strongest office paper brands in Europe – beside Metsä-Serla/Modo's "Datacopy".[795]

Stora Enso's line managers, marketing managers, and sales managers had similar interests against eliminating some of these brand names as Metsä-Serla's. There was the interest in maintaining strong brands and brand families, such as "Multicopy", "4cc", or "Berga". And there were the interests in consenting to the demands of many merchants concerning e.g. the ability to continue selling products with the existing brand names and to be exclusive sellers of

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[792] Interviews (with Tuomarila 18.3.2005; Rysä 21.1.2005; Toiviainen 26.1.2005).

[793] Ibid.

[794] Ibid.

[795] Interviews (with Olsson 21.10.2005; Haglund 25.10.2005; Hirsch 26.10.2005).

certain brands in their market areas. In Stora Enso's case, a merchant could demand to be able to sell just e.g. "LumiArt" or "G-Print" in coated fine papers, or "Multicopy" or "Berga" in office papers.[796]

Furthermore, like Metsä-Serla, Stora Enso had its own merchant chain, Papyrus – also one of the largest at the pan-European level – once STORA's large chain and that of Enso's had been combined. And, again, the managers were more interested in letting their own merchant chain build and maintain its own private label brands and brand families in order to optimize its business than in forcing it to sell some of the producer brands of the corporation. For instance, the merchant chain would be willing to sell exclusively Stora Enso's "Multiart" coated fine paper products to its commercial printer customers around Europe and would be allowed to do this.[797]

Finally, after the merger of Stora and Enso, the corporation had not only many brands and brand families in paper products, but also in paperboard products, since both companies brought in extensive production of paperboard. In paperboards, particularly in those sold also via merchants as graphic boards, Enso had the somewhat strong "Enso" family, e.g. "Ensocoat" and "Ensogloss", whereas STORA had the somewhat strong brands "Aurocard" and "Chromocard". There were similar management interests against changing or eliminating these brand names, as with graphic papers. But there could be also additional interests against. A new name for a product could mean that certain customers and certification agencies considered the product a new product and demanded new tests and new certification for the product, which could take even years. And in forming brand families to include products offered to a customer group or end use, there could be the problem that a certain product could be used by many customer groups in many end-uses – having separate brands for the same product but only sold to different customer groups for different end-uses would not necessarily be feasible.[798]

[UPM-Kymmene]

UPM-Kymmene did not, at the turn of the 2000s, produce fine paper quite to the extent that Metsä-Serla or Stora Enso did, or sell it as graphic paper or office paper via intermediaries. UPM-Kymmene was primarily focusing on magazine and newsprint papers for direct sales to publishers and large printing houses. But, UPM-Kymmene did produce graphic papers and office papers as well. Particularly its office paper production and sales were extensive and it also had fairly extensive production of graphic papers – especially after having started up the giant coated fine paper machine in 1996 (see also section 6.2.6). To the extent that UPM-Kymmene was producing paper products to be sold via intermediaries, its situation was somewhat similar to that Metsä-Serla and Stora Enso.

In graphic papers, UPM-Kymmene had, for instance, the "Kym" family produced at the Kymi mill, Finland, and the "Nopa" family, produced at the Nordland mill. Brands such as "KymAdCote" and "KymExCote" were strong in e.g. Scandinavia and Russia and "NopaCoat" in German-speaking countries. In office papers, UPM-Kymmene also had the "Kym" and "Nopa" families, as well as the "Vosgi" family produced at the Docelles mill in France. These brands were also somewhat strong, particularly in the countries in which they were produced. Both

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[796] Interviews (with Olsson 21.10.2005; Haglund 25.10.2005; Hirsch 26.10.2005).

[797] Interviews (e.g. with Paananen 1.11.2005).

[798] Interviews (e.g. with Karhu 9.11.2005).

the graphic paper and office paper families included highly similar or substitutable products – but they were sold with many brand names.[799]

Against the management interest in renaming also the sheeted versions, like reels, of coated fine papers produced at e.g. the Nordland and Kymi mills to "UPM Finesse", other interests emerged – similar to those emerging at Metsä-Serla and Stora Enso. There was the interest in maintaining strong brands and brand families, such as "NopaCoat". And there were the interests in consenting to the demands of many merchants concerning e.g. the ability to continue selling products with the existing brand names and to be exclusive sellers of certain brands in their market areas, again. To some extent these interests emerged also against the management interest in renaming and reintroducing all office paper products under the brand families "Yes" and "Future", targeted at consumer and business users, respectively (see also section 6.2.8). Merchant demands made managers more interested in continuing to sell the products to some extent under the "Kym", "Nopa", and "Vosgi" names, too.[800]

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[799] Mikkonen 1995;
Interviews (with Hennig 7.11.2005).
[800] Interviews (with Hennig 7.11.2005).

9 Second phase of corporate branding

9.1 Management practices of corporate branding [mP′s]: 2nd phase

9.1.1 Having core business brands and brand families in a corporate master brand family [mP#3]

In the second phase of corporate branding, different managers were interested in having the corporate name as part of the brand names and brand family names when it came to core business products. This would mean having these products, or brand and brand families, belong to a master brand family of the corporate brand. The corporate name could be added as a prefix to the existing brand and brand family names or new names could be invented and the corporate name made an integral part of the names right from the beginning.

9.1.2 Having core business units and sales offices under the corporate identity [mP#4]

In the second phase of corporate branding, different managers were also interested in having core business units, such as mills, daughter companies, and business areas that had previously operated under their own identities, operate under one corporate identity. Moreover, managers were interested in having sales offices operate under the corporate identity, too, if this was not the case yet.

In having the business units and sales offices under the corporate identity, the corporate name would be made part of the units' and sales offices' names. Independent names or logos of the units and sales offices would not be used any more, or would be used only together with the corporate name. Furthermore, a unified visual identity was to be used in the units' and mills' internal and external communication. This concerned, for instance, letters, order forms, invoices, information leaflets meant for visitors, local employee magazines, name signs on the walls of buildings, flags outside buildings, mill worker overalls, paintings on vans, etc. All these would be similar when it came to the use of the corporate name, logo, and visual style, across units and sales offices.

9.2 Translations of management interests to management practices of corporate branding [mI′s→mP′s]: 2nd phase

Spokespersons for corporate branding. The managers particularly interested in the management practices of corporate branding – in having core business brands and brand families in a corporate master brand family [mP#3] and having core business units and sales offices under the corporate identity [mP#4] – were the few marketing or marketing communications managers working at the corporate level of the P&P corporations. Again, they considered "branding" as something essentially belonging to the domain of marketing and "corporate branding" as belonging to the domain of marketing at the corporate level –

their own domain. As the name of the corporation would be involved, they considered the management of the brand and brand family names, at the corporate level, across the products of the different mills, as belonging to their domain even more than if e.g. brand family names would not have involved the corporate name. Moreover, again the corporate marketing and marketing communications managers could also consider the management practices of corporate branding as something which could be first and foremost their responsibilities – further widening their responsibilities.

On the other hand, the corporate *communications* managers of the corporations were also particularly interested. They considered the management of the corporate name and "corporate identity" to belong to their domain: like in having core business brands and brand families in a corporate master brand family [mP#3] and having core business units and sales offices under the corporate identity [mP#4].

> **Executive,** *retrospectively***:**
> The corporate identity, mostly the visual identity, had traditionally been an issue for corporate communications. In corporate branding, these were among the issues, too.

> **Corporate marketing communications manager,** *retrospectively***:**
> As most management of the corporate identity had been done by corporate communications, they were naturally interested in corporate brand management, at least to the extent that the use of corporate name and visual identity were concerned.

The corporate marketing and corporate communications managers increasingly emphasized the benefits of corporate branding to other managers, including top managers, and how the management practices could serve various interests of different managers. They did this by e.g. discussions, workshops and memos, often supporting their arguments with branding literature and the theories and views of consultants.

9.2.1 Developing and maintaining strong product brands and brand families [mI#5→mP's]

Having core business brands and brand families in a corporate master brand family [mI#5→mP#3]

By the late 1990s, the marketing managers and sales managers were interested in developing and maintaining strong product brands and brand families [mI#5]. In having one brand name for the same product from different mills [mP#1] and having brand families to include products offered to a customer group or for an end use [mP#2], managers were interested in using existing strong brand names as the bases of the brand and brand family names (1st phase). However, the existing names of the products to be included in the family could be mill-specific, or otherwise inappropriate. Inventing new names and promoting them could, on the other hand, be quite costly.

Having the corporate name as part of the brand and brand family names would be a translation of the interest in developing and maintaining strong product brands and brand families, reducing the costs of promotion of individual brands [mI#5→mP#3]. The corporate name would act as a brand family name above the other brand and brand family names – as a "master brand", or "umbrella brand". As the majority of customers would already be familiar with the corporate name and trust paper and board products sold with it, the corporate name, in itself, would readily be a fairly strong brand. Associating the brand and brand family names to this master brand name would synergistically benefit their promotion.

> **UPM-Kymmene marketing manager (division),** *retrospectively:*
> When we analysed the name options, their strengths and weaknesses… We came to the

conclusion that "UPM" was kind of well-established and well-known among most our customers… That way we considered that it would be a strength if all the product names had the prefix and umbrella "UPM".

Stora Enso corporate marketing/communications manager, *retrospectively***:**
We aimed at associating the majority of our products to the Stora Enso name and logo, under that umbrella. This way we could get the familiarity of the name of our large company to support the products and the product names. This was one type of thinking behind the corporate branding.

Metsä-Serla/M-Real corporate marketing/communications manager, *retrospectively:*
We considered having "M-Real" or "M-" be part of our brand names to support their promotion and take advantage of customers' familiarity with the corporate name.

On the other hand, as the umbrella brand based on the corporate brand name would become further stronger in itself, partly due to customers' trust in and emotional bonds to the sub-brand families, sub-brands, and related products transferring to the corporate brand, less and less separate promotion would have to be made for the sub-brands and sub-brand families. There could be only one particularly strong brand owned by the corporation that would do: the corporate brand.

UPM-Kymmene Director, *retrospectively:*
Having customers become aware of the corporate brand is an important thing… Seeing the name "UPM" and the Griffin logo, they will pay attention to the corporation – "I see, it's this company" – and then the name and logo stays in the consciousness and sub-consciousness and has some influence…
Further, our idea is that when the corporate name is connected to the product names long enough, we can little by little remove everything but the name "UPM" and the Griffin logo. Meaning that in the long run, the corporate brand will be the only trademark…
Creating a coherent corporate image is important, increasing customer awareness of UPM being an international paper company and so on. It also has significance in the paper industry, despite the fact that the number of customers with respect to the size of the company and the markets is relatively small compared to many other industries, typically the consumer goods industries.

Enso/Stora Enso line manager (division), *retrospectively:*
We started to talk about the corporate brand, as Stora, of course, had its own products and product names. And we started to ponder how to have all of these under one umbrella. And then we made the decision that "Stora Enso" is the name we would promote as a brand family name. And under it we would build product families, where there could still be product names from both Stora and Enso.

Enso/Stora Enso corporate communications manager (executive), *retrospectively:*
We made the decision to concentrate on building and promoting only one brand: the corporate brand. We wanted to become more of a one-brand-company.

Metsä-Serla/M-Real deputy CEO, *retrospectively:*
We were also interested in building the corporate name into a strong brand with the help of the product brands, so that later the corporate name would act as a strong brand with which new products could be introduced and sold. The costs of building new or several brands and promoting them would be reduced.

9.2.2 Emphasizing to customers the corporation's offering of a wide product range rather than that of individual products [ml#6→mP′s]

Having core business brands and brand families in a corporate master brand family [ml#6→mP#3]

The marketing managers, sales managers, CEOs, and line managers were, by the beginning of the 2000s, interested in emphasizing to customers the corporation's offering of a wide product range rather than that of individual products [ml#6]. Translations of this interest

were the having of one brand name for the same product produced at different mills that would not refer to a mill name [mP#1] and the forming of brand families to include products offered to a customer group or for an end use [mP#2] (1st phase, section 8.2.3, mI#6→mP#1,2). However, if a brand family included products offered mainly e.g. for a certain end-use, the customers would not necessarily grasp that the corporation offered an even wider product range, with other products they could need sold by it under other brand and brand family names.

Having the corporate name as part of the brand and brand family names was a further translation of the interest in emphasizing to customers the corporation's offering of a wide product range rather than that of individual products [mI#6→mP#3]. As the brand names and brand family names would be accompanied by the corporate name, it would be easier for the customers to grasp that the products sold with different brands in different families were all part of the wide range of the one corporation. Customers would pay attention to the corporate name as the common part in the brand and brand family names related to different products, when repeatedly being offered or sold the products and when repeatedly encountering materials, wrappings and packages, labels, and advertisements related to different products. They would do this regardless of the exact target customer group or end-use that was the basis for the sub-brand families. Repeatedly paying attention to the corporate name as the master brand family name of the different product and product families they encountered, they would better realize that one corporation was producing them and offering them as a wide product range. On the other hand, as the brand names would resemble each other to a large extent – due to the corporate name part – the customers would get the impression that individual products were not so important in what the corporation offered, but rather the range of products.

> **UPM-Kymmene corporate marketing/communications manager,** *retrospectively*:
> A wide product range was becoming more important than ever. So, by having the corporate name there as a master brand in the product names, we could also communicate to customers that we can offer a particularly wide range.

> **Enso/Stora Enso line manager (division),** *retrospectively:*
> The corporate brand as an umbrella would be a way to emphasize that we have the widest paper and board product range in the world.

9.2.3 Increasing (direct) customer awareness of the corporation as a paper and board supplier [mI#8→mP′s]

Having core business brands and brand families in a corporate master brand family [mI#8→mP#3]

Even if most large, direct customers were aware of the Finnish P&P corporations as large paper and board suppliers, the marketing managers, sales managers, corporate communications managers, CEOs, and line managers were, by the 2000s, increasingly interested in increasing customer awareness of the corporation [mI#8]. This was the case especially when the corporations had left the sales associations and were expanding with production and sales to new locations. Translations of the interest in increasing customer awareness of the corporation were e.g. the having of one brand name for the same product from different mills that did not refer to a mill name, [mP#1] and the forming of brand families to include products offered to a customer group or for an end use [mP#2] (1st phase, section 8.2.8, mI#8→mP#1,2). Having the corporate name as part of the brand and brand family names would be a further translation of the same interest [mI#8→mP#3].

First of all, at a very simple level, the corporate name as part of the product names appearing in product promotion materials, product wrappings and packages, labels and advertisements, as well as in conversations with salespeople, would in itself remind and emphasize to every potential and existing customer what the corporation producing the products actually was, rather than e.g. the mill. For instance, a customer who would be mailed or given paper or board product promotion materials by the salespeople of the corporation or of an intermediary, who would have products delivered to him or products lie in his stock in wrappings or packages, or who would see product advertisements in e.g. a trade magazine would surely become more aware of the corporation behind the products. Furthermore, the increase in customer awareness would be particularly evident in cases where a customer was very familiar with a certain product name or held some product brand in high regard: even the first appearance of the corporate name as a master brand name for the well-known product name could significantly raise the customer's awareness of the corporation. Of course, this would also be about building the umbrella brand based on the corporate brand name stronger with the help of customer awareness of existing product names and the strength of the product brands (see also section 9.2.1, mI#5$\rightarrow$mP#3).

> **Metsä-Serla/M-Real corporate marketing/communications manager,** *retrospectively*:
> We had, for instance, the "Galerie" brand and it was well-known among customers. Of course it would increase customer awareness of the corporation if we had the corporate name as an umbrella brand there. It would always suggest to customers that "these products and this strong brand family comes from this corporation".

Second, customers' awareness of the corporation would increase and be sustained better through them frequently paying more attention to the corporate name in relation to products and product communication. Customers would pay attention to the corporate name always appearing as the common part in the brand and brand family names related to different products, when repeatedly being offered or sold the products and when repeatedly encountering materials, wrappings and packages, labels and advertisements related to various products. Paying attention to the corporate name repeatedly in relation to the products and product communication, their awareness of the corporation would increase and be sustained better. Also, as the brand names would be more similar – with the corporate name forming a part of them – the customers' attention would potentially not be caught by discrepancies, but the corporate name would get more attention.

Third, putting the remaining brands of the corporation in the corporate master brand family at the same time when significantly limiting the number of brands and brand families (1st phase, section 8.2.8, mI#8$\rightarrow$mP#1,mP#2) would raise the customer awareness, too.

> **Metsä-Serla/M-Real corporate marketing/communications manager,** *retrospectively*:
> From the acquisitions of Modo and Zanders, we obtained a lot more brands. While reducing the number of brands, we wanted to make the M-Real corporate brand an umbrella that would glue the brands together. It was of course important in making customers aware of our corporation.
>
> **Enso/Stora Enso manager,** *in 2001*[801]:
> Our task is to build a world-class brand, which bears the name Stora Enso. The products of the divisions have to strengthen the Stora Enso master brand and not confuse the markets with a huge number of varied product names.

Fourth, it would be likely that customers would encounter the corporation's advertisements or promotions about itself as a paper and board supplier, or corporate brochures, environmental reports, or other corporate communications materials. These could be targeted to customers, but also to other stakeholders, such as investors. As a customer

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[801] Munter, Sami (2001a), "Brändit ovat kovempia kuin bändit", *Stora Enso Global,* Toukokuu, p. 28.

would, on the other hand, notice the same corporate name as a dominant master brand when encountering product promotion materials, product wrappings and packages, product labels and product advertisements, his awareness of the corporation would synergistically increase and be sustained better, due to the repeated exposure in different contexts and his always coming to ask himself "where have I seen this name before". Actually, these kinds of synergies would also be important in terms of reducing the need for resources in building awareness for the corporation, on the one hand, and products, on the other.

> **UPM-Kymmene corporate communications manager,** *retrospectively:*
> With this corporate branding, we wanted to concentrate on building visibility and awareness for this one UPM name or brand. The customers would repeatedly encounter the one and the same corporate name when coming across our products and product communications. In the long run, the UPM brand would perhaps be all we'd have and all customers would remember it and we would not need the product brands so much any more.
> We also thought that it would be more effective to have the "UPM" brand there than to have a totally different, additional, brand. That's because we would anyway have to build awareness of the "UPM" brand towards customers and also towards investors and other stakeholders. It would not be feasible to have another brand in the customer interface, since we would in any case have to promote the corporation, UPM-Kymmene, there to some extent.

Fifth, it would be likely that customers would encounter media coverage about the corporation as an international paper and board company. As the customer would then, on another occasion, notice the same corporate name as a dominant master brand name when encountering products and product communication, his awareness of the corporation as a paper and board company would, again, synergistically increase and be sustained better due to the repeated exposure. And again, the repeated exposure would potentially work in the other direction, too. Moreover, due to e.g. the globalization of media and advances in information technology and the Internet, the synergistic effect on customers' awareness of the corporation could be fairly significant, as the corporate affairs could be increasingly covered by media around the world.

> **UPM-Kymmene corporate communications manager,** *retrospectively:*
> Further, we pondered how much resources we had, whether we had resources for building many brands. It was kind of a practical consideration. We have a certain amount of money. And a certain amount of mental resources. How much do we have to divide our scarce energy. If we have one or many of these kinds of stronger brands. Then the conclusion was that we should focus our energies on one brand. Then it would be so that if the customer sees "UPM" on a reel wrapping and he sees it in the Financial Times, he would associate it to the corporation. And these things would together raise his awareness of the corporation… There would be synergy, in a way.

> **Enso/Stora Enso corporate communications manager,** *retrospectively***:**
> There would, of course, also be synergies obtainable from having the corporate brand as an umbrella. Customers would anyway be exposed to, for instance, some of our general advertisements, as well as media coverage. When the corporate name would dominate the products and marketing communications, there would be synergies in raising the awareness.

Having core business units and sales offices under the corporate identity [mI#8→mP#4]

Even if large direct customers could be in contact with sales offices selling the corporation's products and even visit the mills on customer visits, they might not necessarily be aware of the corporation as a supplier. It could be that some potential customers were merely aware of the sales office as the reseller of the products of some mills, of which they could also be aware of. If the sales office and mills operated under other identities than that of the corporation, it might be that the customers were not aware of the corporation at all.

Thus, having the sales offices and mills operate under the corporate identity would be a translation of the interest in increasing customer awareness of the corporation as a paper and board supplier [mI#8→mP#4]. As the names of the sales offices and mills would have the corporate name as part of them, every customer contacting or being contacted by a sales office or mill would be always reminded of the corporation as a supplier of products offered by the sales office or as the owner of the mills. When it came to the sales offices, for instance, the calling cards of the salespeople would bear the corporate name and logo, as well as telephone directories listing the telephone numbers. When it comes to the mills, the calling cards would also bear the corporation's name, as well as wall signs and information leaflets obtained during mill visits. So, customers' awareness would be increased and sustained by the business units and sales offices operating under the corporate identity – there would be more of a "one face to the customer".

> **Metsä-Serla/M-Real deputy CEO,** *retrospectively:*
> In ensuring that all customers who were in contact with our sales offices or mills would know the corporation behind those offices or mills, the corporation that, after all, supplied them the products and services, we considered it important that the offices and mills featured our corporate name prominently.

> **UPM-Kymmene corporate marketing/communications manager,** *retrospectively:*
> Having the various sales offices, mills, and units operate under the name of the corporation would raise customers' awareness of the corporation, as the customers would in different contacts find the corporation and its one face as the counterpart.

9.2.4 Making (direct) customers indifferent of which mill produces the products [mI#15(m&a)→ mP′s]

Having core business brands and brand families in a corporate master brand family [mI#15(m&a)→ mP#3]

By the 2000s, and particularly after mergers and acquisitions around the year 2000, the line managers (of divisions), development managers, CEOs, sales managers, and marketing managers (of divisions) were interested in *rationalizing production and deliveries and making customers indifferent of which mill produces the products* [mI#15(m&a)]. One translation of this was having one brand name for the same product from different mills, that would not refer to a mill name (1st phase, section 8.2.1, mI#15(m&a)→mP#1). Having the corporate name as part of the brand and brand family names was a further translation of the same interest [mI#15(m&a)→mP#3]. The corporate name as part of the brand names would further signal to a customer that the products offered to him were produced by the corporation and it was the corporation that was guaranteeing the quality of the products, i.e. its supply chain, including production in a certain mill chosen by the corporation.

> **UPM-Kymmene corporate marketing/communications manager,** *retrospectively:*
> We were trying to signal to the customers that the main thing is not that the product comes from a certain mill but that it's a UPM product. This would be the "UPM" master brand chosen for these product families. It would also communicate about the business we are in and about UPM being a guarantee of quality for the whole supply network. For all of its parts. Not only for the individual product which comes from a certain mill…
> Yes, it was probably the achieving of this certain kind of quality guarantee that was an important reason for us choosing the corporate name to be the umbrella brand, part of the product names.

> **Metsä-Serla/M-Real corporate marketing/communications manager,** *retrospectively:*
> In corporate branding and in having the corporate brand as an umbrella, one objective was in some measure comparable to an outcome they have in the car industry where you can buy a Ford. The Ford can be manufactured in one of many production facilities. You will be

indifferent. It's the same Ford. The production facilities aren't marketing them – Ford is. It was the same in our case: we were developing products that could be produced in any of several mills.

9.2.5 Emphasizing to customers the corporation's offering of large volume supply reliability, of services, and of solution help rather than that of products [mI#7,mI#9,mI#11→ mP′s]

Having core business brands and brand families in a corporate master brand family [mI#7,mI#9,mI#11→mP#3]

By the early 2000s, the marketing managers, sales managers, CEOs, and line managers were interested in emphasizing to customers the corporation's offering of large volume supply reliability [mI#7], of services, such as shorter delivery times and smaller order sizes, joint research projects and tailored products [mI#9], and of help in defining the customers business problems in detail and in finding products and services to solve their problems [mI#11] – rather than merely the technical products it could offer. The offering could be emphasized by means of e.g. personal selling work and contacting potential customers from various levels of the corporation, as well as promotional materials. But having corporate name as part of brand and brand family names was a further translation of the interest in emphasizing the offering beyond the products [mI#7,mI#9,mI#11→mP#3]. As the brand names and brand family names would be dominated by the corporate name, encountering any product communication materials would always remind the customers about the corporation behind. If the customers were additionally learning about the corporation's supply reliability, services and solutions from the promotional materials, the customers would conceive these as being important parts of the corporation's offering, besides the products themselves. As the brand names would simultaneously resemble each other to a large extent – due to the corporate name part – the customers would get the impression that individual products were not so important in what the corporation offered, but the corporation itself and the supply reliability, services, and solutions it could offer.

> **Enso/Stora Enso marketing manager (division),** *retrospectively:*
> Since the late 1990s, the role of services in our offering started to be emphasized. Delivery times, reliability, continuance, high-volume delivery capability, joint R&D and, for instance, the search for packaging solutions together with customers, service centers close to markets... Tailoring and flexibility... And this would also be reflected in emphasizing the corporate brand as an umbrella brand and in marketing communications. Not just the standard products and tonnages.

> **Metsä-Serla/M-Real deputy CEO,** *retrospectively:*
> I think it was around the turn of the century when we really began to see that the central elements to be developed and emphasized in our offering to customers should be service related. For instance, deliveries and delivery times, helping customers to better find out about their problems and needs and solving them with our products; even outsourcing services. This was also important for corporate branding. The corporate brand should be an umbrella for the products to emphasize the products as merely a part of a wider offering of the corporation.

9.2.6 Having employees identify themselves with and be proud of the corporation [mI#18(m&a)➔mP′s]

Having core business brands and brand families in a corporate master brand family [mI#18(m&a)➔mP#3]

By the 2000s, and particularly after mergers and acquisitions around the year 2000, the CEOs, human resources managers, and line managers (of divisions) were interested in reducing suboptimization below the corporate level and change resistance and having employees identify themselves with and be proud of the corporation [mI#18(m&a)]. Translations of this interest were e.g. having one brand name for the same product from different mills that did not refer to a mill name [mP#1] and the forming of brand families to include products produced at different mills and offered to the same customer groups or for the same end uses [mP#2] (1st phase, section 8.2.6, mI#18(m&a)➔mP#1,2).

Nevertheless, having the corporate name as part of the brand and brand family names would be a further translation of the interest in having employees identify themselves with and be proud of the corporation [mI#18(m&a)➔mP#3]. As the corporate name would be part of the brand names of different products produced at the various mills of the corporation, the employees, both those working at the producing mills, at other mills, and at other offices, would be more proud of all the products as products of the whole corporation. Hence, being proud of the products would be less a thing for merely the employees of the mills producing them. The employees would also identify themselves more with the corporation through the products, whose names would remind them of the corporation as the producer of the products and as their employer every time they saw these names in product communication materials, packaging or internal and external communication of the corporation, e.g. in employee or company magazines. Finally, particularly after mergers and acquisitions, having the products and product names of the companies integrated in the master brand family of the corporate brand, with product names sharing the corporate name as part of them, would support the employees' identification with and being proud of the products of the whole new corporation, as well as the corporation as their employer.

> **Enso/Stora Enso line manager (division, executive),** *retrospectively*:
> As employees tend to like to boast with and be proud of product names and find it nice to see the names in products and packaging, we thought that having the corporate name there as a dominant element would make employees more proud of the whole corporation, too. It's not all the same, it does make a difference. It creates something positive. If you are a wise manager with a long-time perspective, you believe in these corporate branding issues. Internal marketing is one important component there, a concrete one...

> **UPM-Kymmene corporate marketing/communications manager,** *retrospectively*:
> One thing was, of course, that having the corporate name would also strengthen the integration of the different mills and offices of the corporation, make employees identify themselves more with the corporation, in addition to their own local subsidiary.

Having core business units and sales offices under the corporate identity [mI#18(m&a)➔mP#4]

Even more than products having their mill-specific names, the different mills and other business units or daughter companies having their own independent names and visual identities would make the employees of those mills, subsidiaries, and daughter companies identify themselves with those as their employers, potentially much more than with the corporation. They could also be quite proud of their mill or unit rather than proud of the corporation. This could be a risk in the form of potentially increasing suboptimization

behaviour at the unit, as well as change resistance. And it would be particularly evident after mergers and acquisitions, whereby previously independent companies, with independent names and visual identities, were combined to one corporation. The employees of the previously independent companies would continue to identify themselves with it, instead of the new corporation.

> **Metsä-Serla/M-Real corporate communications manager,** *retrospectively***:**
> After an acquisition, for example, it is clear that the employees continue to love their own company names and identify themselves with them. This can make it difficult to build a common corporate culture with employees identifying with the corporation.

> **UPM-Kymmene line manager (division, executive)/ human resources manager,** *retrospectively***:**
> The corporate culture is related to how well people identify with the company, UPM-Kymmene. It's often more difficult to identify with the company and its name than with your own local mill or office. It's a difficult thing, a process that can take years. In my home town, they still talk about Schauman, a name that officially vanished in the 1980s. I mean the name vanished twenty years ago and they still talk about it.

Thus, having the mills' and other subsidiaries' identities operate under the corporate identity would be a translation of the interest in having employees identify themselves with and be proud of the corporation [ml#18(m&a)→mP#4]. As the name of the mill or unit would always be accompanied with the corporate name, or even cease to exist, the employee would be reminded of the corporation as their employer, which would make them identify themselves more with and be more proud of the corporation. They would be reminded when seeing the corporate name in letters, order forms, invoices, information leaflets meant for visitors, local employee magazines, name signs on the walls of buildings, flags outside buildings, mill workers' overalls, etc. On the other hand, encountering the name of the mill or unit and the corporate name outside their workplace, such as in media coverage, in corporate advertising, or on the side of a van of a corporate unit, could make the employees especially proud of the corporation. Moreover, the independent logos and visual styles of the mills and subsidiaries would not be used any more but only the ones of the corporation, which would, again, further remind the employees of the one corporation for which they were working, making them identify themselves more with it and be more proud of it. And particularly after mergers and acquisitions, having the mills' and other units' identities operate under the corporate identity this way, would support the employees' identification with and being proud of the products of the whole new corporation, as well as the corporation as their employer.

> **UPM-Kymmene human resources manager,** *retrospectively***:**
> Of course, in building corporate culture, the aim has been that people would to some extent identify themselves with the big company. That we would all be UPM-Kymmene people, not Kaukaa people, Kajaani people, Pietarsaari people, etc. Using the corporate brand, or the name and visual identity in all the mills and units and their communication is an important part of this.

> **UPM-Kymmene deputy CEO,** *retrospectively***:**
> For instance, when we acquired Haindl, the Haindl people would have liked to retain the Haindl names of the mills and subsidiaries. Because they felt they were big in Germany. But we wanted them to identify with UPM-Kymmene, the corporation, to have a common culture… It was important to have all the logos and names changed at the gates, to have name signs bear our visual elements, etc.

> **Metsä-Serla/ M-Real human resources manager (executive),** *retrospectively***:**
> When you think about building or building a common corporate culture and employee' identification, the symbolic level, including the company name, is important.

> **Metsä-Serla/ M-Real corporate communications manager,** *retrospectively:*
> To the extent we did not change the names of the acquired companies, for instance, to accord to our corporate name, the integration, the creation of a common culture and the prevention of change resistance became more difficult. It may be so that you just have to

change the names and flags flying outside the subsidiaries to have the corporate name and logo there. One may think that changing the visible symbols such as names and logos necessarily insults the people. But you can do that, as well as everything else in the integration process, in a non-impudent way. And the common use of the corporate name does make a difference in the identification felt by the employees.

Enso/Stora Enso line manager (division, executive), *retrospectively***:**
Not only the product brands but also the name of the company is something many employees feel proud of and like to see. So, having the corporate name and logo visible everywhere that the corporation has activities was considered important. It makes employees, all of us, more of a family. When you see, for example, a delivery van or a truck with the name of the corporation, it acts as glue for the identity and creates, again, something positive - at least in the long run.

9.2.7 Increasing investor and potential employee awareness of the corporation [mI#1,mI#12→ mP′s]

Having core business brands and brand families in a corporate master brand family [mI#1,mI#12→mP#3]

By the end of the 1990s, the CEOs, financial managers, corporate communications managers, and investor relations managers were more interested in increasing investor awareness of the corporation as a paper and board company, particularly in foreign markets and particularly outside Scandinavia, where the corporations were traditionally very well-known [mI#1]. This concerned also the innumerable potential private investors, where possible. On the other hand, the corporate communications managers, human resources managers, CEOs, and line managers were interested in increasing awareness of the corporation as an employer among potential employees, also particularly outside Scandinavia, in countries where they increasingly had production [mI#12]. Making private investors or potential employees aware of the corporation, particularly outside Scandinavia, would mostly be quite difficult without highly expensive advertisement and promotion campaigns. Nevertheless, having the corporate name as part of the brand and brand family names could be a translation of the interests in increasing private investors' and potential employees' awareness of the corporation [mI#1,mI#12→mP#3], and doing this quite inexpensively.

Having the corporate name as part of the brand and brand family names of office papers sold to and used by ordinary companies, public institutions, and consumers would especially increase the awareness. If people were exposed to the corporate name on the top of paper wrappings or boxes at work places and at home, their awareness of the corporation would be likely to increase. And obviously all these people would, besides being users of paper, be, at least in theory, potential private investors, as well as potential employees.

Enso/Stora Enso investor relations manager, *retrospectively***:**
There was and has been the consideration in the corporate branding that in the products going to consumers and ordinary people, such as the office paper, the brands should be built to have Stora Enso dominating the brand name. For instance, Stora Enso Berga or Stora Enso Multicopy, even Stora Enso Copy or something. This way the branding would help in building awareness also in the sense of building awareness among potential private investors who could invest in Stora Enso… And of course it would help to build awareness also among potential employees. After all, even in Central Europe and in Germany, where we have had numerous mills since the end of 1990s, people as potential employees generally have no clue about what Stora Enso is.

Enso/Stora Enso line manager (division, executive), *retrospectively:*
The interest in corporate branding meant also, to some extent, believing in the idea that maximizing the visibility of the corporate name would pay off also among investors. Having the corporate name dominate in communication, in marketing communication, perhaps ultimately in office paper brands and packaging... Even though running after the ordinary

guy on the street is largely in vain, it can be said that making the corporation an attractive investment target and sending good messages to investors requires, first of all, visibility and corporate awareness.

Metsä-Serla/M-Real financial manager/ deputy CEO, *retrospectively***:**
Accompanying for instance the office paper brand Datacopy with the M-Real name would be important in corporate branding. To let ordinary people using the paper would know that it's a M-Real brand. It would create visibility for and awareness of the corporation among those people, who could, in some cases, also be interested in investing in the corporation. Or, why not, interested in working for the corporation. People in, for instance, Germany or the UK are not very aware of us. It tends to make things difficult.

UPM-Kymmene marketing manager (division), *retrospectively***;**
There was strong interest in having the corporate name UPM there as part of the office paper brands. I guess it was considered important for maximizing visibility and awareness among investors.

Having core business units and sales offices under the corporate identity [mI#1,mI#12➔mP#4]

Business units, such as mills and daughter companies, which belonged or had come to belong to the corporation, could continue to operate under their own identity. However, this could mean that not all investors or potential employees, particularly in countries where the business units were based, who were familiar with the business units were necessarily aware of the corporation, or the corporation as the owner of the units. Thus, having core business units and sales offices under the corporate identity could also serve the interest in increasing awareness of the corporation among investors, as well as among potential employees [mI#1,mI#12➔mP#4]. As the corporate name would accompany or replace the name of the unit in the communication by a unit and about the unit by the corporation, and potential media coverage about the unit, the investors and potential employees would learn and be reminded of the unit being part of the corporation. This would serve to increase investors' and potential employees' awareness of the corporation.

Metsä-Serla/M-Real financial manager/ deputy CEO, *retrospectively***:**
Having the acquired units under our corporate identity would also be part of increasing transparency among, for instance, investors.

Enso/Stora Enso corporate marketing/communications manager, *retrospectively***:**
After the Stora merger, we came to adopt a general policy that if more than 50 percent is owned of a business unit or subsidiary, whether old or new, it would be put under the corporate name and identity... This would be, of course, also to make it clear to people that come across these units that they are part of Stora Enso.

9.2.8 Communicating a clear and focused portfolio of core products and businesses to investors and analysts [mI#2➔mP's]

Having core business brands and brand families in a corporate master brand family [mI#2➔mP#3]

By the late 1990s, the CEOs, financial managers, corporate communications managers, and investor relations managers were interested in meeting analyst and investor demands and communicating a clear and focused portfolio of core businesses and products to them [mI#2].

Having the corporate name as part of the brand and brand family names could be a translation of the interest of communicating a clear and focused portfolio of core businesses and products to investors [mI#2➔mP#3]. The products and businesses that were not absolutely core could be left *without* the corporate name as part of their brand and brand family names, whereas in core business products, the corporate name would be made part of

the names. This would communicate to analysts and investors which products and businesses would not be absolute core businesses for the corporation and which would. Nevertheless, it would, of course, also be a translation of saving the corporation the costs of investing money in changing the names and promotional materials of the non-core products in vain, in an anticipation of potential later divestments.

> **Enso/Stora Enso investor relations manager,** *retrospectively***:**
> It could sometimes be the case that brands in some business areas would be left outside the dominant umbrella of the corporate brand name… This, of course, would also partly communicate that perhaps these products and businesses were not absolute core businesses for the corporation.

Having core business units and sales offices under the corporate identity [mI#2→mP#4]

Similarly to having the corporate name as part of the brand and brand family names could be a translation of the interest of communicating a clear and focused portfolio of core businesses and products to investors and analysts, so could having core business units and sales offices under the corporate identity [mI#2→mP#4]. Business units that were not absolute core could be left to operate largely with their distinctive, independent name and visual identity, whereas core business units would be made to operate strictly under the corporate identity. Again, the costs of investing money in changing the names and promotional materials of the non-core products in vain would be saved, in an anticipation of potential later divestment. But also, it would communicate to analysts and investors which businesses would not be absolute core businesses of the corporation and which would.

> **Enso/Stora Enso line manager (division, executive),** *retrospectively***:**
> You have it in the back of your head that you won't waste resources. If a divestment of a business was possible in the future, strong corporate branding of the business would only harm, as detaching the business would be more difficult. And it would also give the impression, for instance to investors, that we have made a decision to invest in and had the business in our core.

[UPM-Kymmene]
Having core business brands and brand families in corporate master brand family [mP#3]

At UPM-Kymmene, management interest in having core business brands and brand families in a corporate master brand family by making the corporate name part of the brand and brand family names was emerging already in 1998–1999 when the publication paper products sold mostly directly to customers in reels were rebranded. The interest was somewhat strong, as part of the corporate name, "UPM", was made part of the brand names, as described above. "UPM" would be a prefix for all the brand names; this would make "UPM" a master, or umbrella brand and make the product brands belong to its master brand family.

Then, after the acquisition of Haindl, the management interest became even stronger, also among top managers. When products other than publication papers were named or renamed to belong to brand families according to a customer group or end use, they were also put into the "UPM" master brand family. For instance, the preprint papers and papers for digital printing were renamed to belong to the "UPM PrePrint" and "UPM DIGI" families, and there was the attempt to rename fine papers, also sheets, as "UPM Finesse".

The interest in having core business brands and brand families in a corporate master brand family by making the corporate name part of the brand and brand family names concerned only absolute core business products, though. Products that were not considered to

be absolutely core were not renamed into the "UPM" family. For instance, wood products such as special plywood products, sawn products, and veneer products were not considered absolute core products. They were not renamed to belong to the "UPM" master brand family but remained simply under the "WISA" brand family. Other products not considered absolute core products and not renamed into the "UPM" family were e.g. laminated packaging paper and industrial paper products and self-adhesive labelstock products. Laminated packaging paper and industrial paper products remained simply in the "Walki Wisa" brand family and self-adhesive labelstock products in the "Raflatac" brand family in the early 2000s.

Having core business units and sales offices under the corporate identity [mP#4]

While interested in having the corporate name as part of the brand names and brand family names, when it came to core business products, UPM-Kymmene managers were, in the early 2000s, interested also in having core business units such as mills, daughter companies, and business areas that had previously operated under their own identities operate under the corporate identity. The interest was strong, as the corporate name was made part of the units' names. For instance, the business area producing intelligent label products was renamed from "Rafsec" to "UPM Rafsec". Also, the mills owned by the corporation were renamed to have the "UPM" prefix: e.g. the Nordland mill was renamed "UPM Nordland", the Kymi mill "UPM Kymi", and the Shotton mill "UPM Shotton". Also units obtained from acquisitions, such as from that of Haindl were renamed in a similar vein: "Steyermühl" to "UPM Steyermühl", Augsburg to "UPM Augsburg", "Schongau" to "UPM Schongau" and "Schwendt" to "UPM Schwendt". Furthermore, a unified visual identity was to be used in these units' and mills' internal and external communication. This concerned, for instance, letters, order forms, invoices, information leaflets meant for visitors, local employee magazines, name signs on the walls of buildings, flags outside buildings, mill workers' overalls, paintings on vans, etc. All these would be similar when it came to the use of the corporate name, logo, and visual style, across units.

The interest in having core business units such as mills, daughter companies, and business areas operate under the corporate identities concerned only absolute core businesses, though. As with individual products, business areas and units that were not considered to be absolute core were not put under the "UPM" identity. This concerned, for instance, the above-mentioned wood product business under the "WISA" identity, laminated packaging paper and industrial paper products business under the "Walki Wisa" identity and and self-adhesive labelstock products business under the "Raflatac" identity.

[Enso/Stora Enso]
Having core business brands and brand families in a corporate master brand family [mP#3]

At Enso, management interest in having core business brands and brand families in a corporate master brand family by making the corporate name as part of the brand and brand family names was emerging in the late 1990s after the acquisition of Veitsiluoto. The interest was somewhat strong, as some publication paper products were renamed to be in the "Enso" family, to have "Enso" as a prefix for their brand names. This would make "Enso" a master

brand and make the product brands belong to its master brand family.

Nevertheless, the management interest in having core business brands and brand families in a corporate master brand family did not become strong widely among top managers until after the merger with Stora and the acquisition of Consolidated Papers in the early 2000s.[802]

> **Enso/Stora Enso corporate communications manager (executive),** *retrospectively*:
> There was maybe some interest in making the corporate brand part of the product brands after the mid 1990s. But really, the interest got on a whole new level after the Stora merger and the acquisition of Consolidated Papers. The top management wanted to make the corporate brand basically the only brand, also part of most product brands.

The interest was strong, as the publication paper products which were renamed, in 2001, to belong to the "Press" family were actually made to belong to the "Stora Enso" umbrella brand family, too, by having the corporate name be part of the brand names in most instances. "Stora Enso" would be an umbrella brand in the "Stora Enso Press" family, with product brands such as "Stora Enso TerraPress" and "Stora Enso NovaPress". When it came to graphic papers, an attempt was made to rename coated fine paper products sold with names such as "LumiArt", "LumiSilk" and "G-Print", as well as "Multifine" uncoated fine paper products. These would be promoted and sold with brand names such as "Stora Enso Art", "Stora Enso Silk", "Stora Enso Print", and "Stora Enso Fine".[803]

The interest was strong also, as other products such as paperboards were made to belong to the "Stora Enso" umbrella brand family. Even timber products were considered core products to the extent that the corporate name was made part of some brand names; for instance, there came to be timber products such as "Stora Enso Woodheart" and "Stora Enso ThermoWood". The products of the mills obtained in the acquisition of Consolidated Papers, as well as in other acquisitions, would also be renamed.

> **Enso/Stora Enso marketing manager (division),** *retrospectively*:
> The top management and the corporate level came to the view that basically all products, also for instance the paperboards, should have "Stora Enso something" as their brand name.

The interest in having core business brands and brand families in a corporate master brand family by making the corporate name part of the brand and brand family names concerned only absolute core business products, though. Products that were not considered to be absolutely core would not be renamed into the "Stora Enso" family. For instance, the special paper products of the Tervakoski mill, sold e.g. with the "Terreus" brand names, or those of the Mölndal mill, were not renamed, as the mills would potentially be sold. And, indeed, they were divested, in 1999 and 2002, respectively.

Having core business units and sales offices under the corporate identity [mP#4]

While being interested in having the corporate name as part of the brand names and brand family names when it came to core business products, Stora Enso managers were also interested in having core business units such as mills, daughter companies, and business areas that had previously operated under their own identities, operate under the corporate identity. The interest was strong, as the corporate name was made part of the units' names. Furthermore, a unified visual identity was to be used in these units' and mills' internal and external communication. This concerned, for instance, letters, order forms, invoices, information leaflets meant for visitors, local employee magazines, name signs on the walls of

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[802] Interviews (e.g. with Vainio 22.3.2005);
Vainio, Kari (2002), "Kaikki brändin puolesta" (editorial), *Stora Enso Global,* Toukokuu, p. 2.
[803] Interviews (e.g. with Olsson 21.10.2005; Hirsch 26.10.2005; Vainio 22.3.2005);
Munter (2002a), "Tuotebrändit terävöityvät", *Stora Enso Global,* Toukokuu, pp. 32–34.

buildings, flags outside buildings, mill workers' overalls, paintings on vans, etc.

Having units under the corporate identity was done practically for all mills and sales offices right after the merger with Stora in 1998/1999. It was also done for divisions which received names such as "Stora Enso Magazine Paper", "Stora Enso Newsprint", "Stora Enso Fine Paper", "Stora Enso Packaging Boards", "Stora Enso Timber", "Stora Enso Pulp", "Stora Enso Merchants", and "Stora Enso Asia Pacific". Soon, the business of producing corrugated packaging materials and supplying packaging machines, operating under its own "Pakenso" name and identity (within the "Stora Enso Packaging Boards" division) was renamed in 2000 as "Stora Enso Packaging"[804].

The interest in having core business units such as mills, daughter companies, and business areas operate under the corporate identities concerned only absolute core businesses, though. As with individual products, business areas and units that were not considered to be absolutely core were not put under the "Stora Enso" identity. For instance, the company to which Stora Enso transferred the ownership and care of its Finnish forests, Tornator, would operate under its own identity. Also, e.g. the business of producing digitial aerial image mosaics with hardware and software tools would operate under the "EnsoMOSAIC" identity, the business of producing (red) paint for wooden houses remained under the "Falu Rödfärg" identity. And the coreboard business, which Stora Enso would own together with UPM-Kymmene, would continue under the "Corenso" identity.

[Metsä-Serla/M-Real]
Having core business brands and brand families in a corporate master brand family [mP#3]

At Metsä-Serla, management interest in having core business brands and brand families in a corporate master brand family by making the corporate name a part of brand and brand family names became quite strong in 2000 when Modo Paper and Zanders were acquired and the managers had started to shift the responsibility for marketing, also for paper products, more to the division level since the end of 1990s (see section 7.1.4). There concerned the new corporate name, M-Real

> **Metsä-Serla/M-real deputy CEO**, *retrospectively*:
> After the Modo acquisition we were interested in having "M-Real" in our product brand names, to have it as the dominant umbrella name.

Also at Metsä-Serla, the interest in having core business brands and brand families in a corporate master brand family by making the corporate name as part of brand and brand family names concerned only absolute core business products, though. Products that were not considered to be absolutely core would not be put under the "M-Real" umbrella. For instance, the tissue and cooking paper brand names of the daughter company Metsä-Tissue, which would be divested to strengthen the financial position of the corporation after the acquisitions of Modo Paper and Zanders, were not altered.805 These brands included e.g. "Lambi", "Serla", "Leni", "Mola", "Fasana", and "Katrin".

Having core business units and sales offices under the corporate identity [mP#4]

While being interested in having the corporate name as part of the brand names and brand family names after the acquisition of Modo Paper in 2000, Metsä-Serla managers were also interested in having core business units such as mills, daughter companies, and business areas,

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804 Stora Enso, Press Release, 7.1.2000.
805 Interviews (e.g. with Kivelä 3.3.2005; Toiviainen 26.1.2005);
     Metsä-Serla, Press Releases, 31.5.2000, 31.1.2001; M-Real, Press Releases, 19.11.2003, 2.1.2004, 30.1.2004; M-Real Annual Report 2003.

as well as the sales offices, that had previously operated under their own identities, operate under the corporate identity. The corporate name was made part of the units' names. Furthermore, a unified visual identity was to be used in these units' and mills' internal and external communication.

The interest was strong, as the whole network of sales offices, which sold Metsä-Serla's products together with those of Myllykoski and which operated under the identity of "Forest Alliance", were put under the identity of the corporation and renamed "M-Real Alliance" in the spring of 2001, soon after the new corporate name "M-Real" had been taken into use. The sales offices would be renamed to have "M-Real" in their names, combined with the country name of the office. Furthermore, all mills and subsidiaries, also those obtained from e.g. the acquisitions of Biberist, UK Paper, and Modo Paper, were practically all put under the "M-Real" identity. There would not be any more subsidiaries with the identity of Biberist, UK Paper, or Modo Paper, except for the mill in Switzerland which would have the name "M-Real Biberist". Later, after Zanders had become wholly owned by M-Real, it would become "M-real Zanders" and its mills "M-Real Zanders Gohrsmuhle" and "M-Real Zanders Reflex".

But again, the interest in having core business units such as mills, daughter companies, and business areas operate under the corporate identities concerned only absolute core businesses. For instance, the tissue and cooking paper business of the daughter company Metsä-Tissue, which would be divested, continued to operate under its own identity806. Also joint ventures, like the Albbruck, Dachau, and Plattling paper mills owned together with Myllykoski, the Kemi corrugated materials mill, owned jointly with UPM-Kymmene, and the Metsä-Botnia pulp company, also owned jointly with UPM-Kymmene, would continue under their own identities.

9.3 Dissidence

Although the management interests in having the corporate name as part of the core business brand and brand family names [mP#3] and in having core business units and sales offices under the corporate identity [mP#4] were strong by the early 2000s, the line managers, marketing managers, sales managers, and CEOs had interest in not changing some of the names and identities. This related mostly to products sold via merchants. First of all, there were quite exactly the same aspects of dissidence as in the first phase of corporate branding (see section 8.3), when it comes to eliminating or changing existing brand names. After all, making the corporate name part of the brand and brand family names meant changing existing brand names, which could be against management interests – particularly if the corporate name was not merely added as a prefix for existing brand names but names were eliminated.

But there were also other interests against having the corporate name as part of some core business brand and brand family names and in having some core business units and sales offices under the corporate identity.

First, many merchants would be particularly unwilling to sell products with brand names incorporating the corporate name of the producer. They would consider that their relationship with their customers would weaken if the customers would come to have strong trust in the particular corporation as a producer and supplier of paper due to the prominent appearance of the corporate name in the brand names. They would be more willing to sell – if

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806 Interviews (e.g. with Kivelä 3.3.2005; Toiviainen 26.1.2005).

anything besides private labels – such brands of the corporation that would not include the corporate name, which would make it possible for them to give customers the impression that the brands actually belonged to some extent to the merchant itself. On the other hand, it might be that merchants were not willing to add the corporate name to existing brand names also to prevent the brand names from becoming too long and complicated.

> **Enso/Stora Enso marketing manager (division)**, *retrospectively*:
> It would be difficult to sell brands with the corporate name "Stora Enso" to a merchant. He wouldn't like to have a brand with our corporate name on his shelf, as a name, as a brand, in his price book, in his sample book. He could be willing to have G-Print or LumiArt. He would be fairly neutral to those.
> So, merchants would want to have their own brands, even if they were our mill brands. But they wouldn't like to promote the producer corporation, Stora Enso, itself.
>
> **Metsä-Serla/M-Real marketing manager (division)**, *retrospectively*:
> The product names might also have become too complicated if we had added M-Real to them directly. For instance, M-Real Galerie Art would have been too complicated. And it would have been worse, as the merchants would have stated their own name in addition, like M-Real Galerie Art sold by Amerpap.
>
> **Enso/Stora Enso marketing manager (division)**, *retrospectively*:
> For instance, Stora Enso LumiArt as the official name could also have been a little too long for a merchant to use and sell.

Second, even if a short, more neutral part of the corporate name could be used as part of brand names to have a similar corporate umbrella brand family as with the use of whole name – like UPM-Kymmene did with "UPM" –, there could be other interests, e.g. an interest in having all employees identify themselves and be proud of the corporation equally, preventing this. For instance, for Stora Enso, using "Stora" or "Enso" in brand names would not be possible. The merger was between Finnish and Swedish companies, both of whose managers, employees, and owners were very cautious not to let the other party dominate in identifying themselves more with the new corporation. On the other hand, for M-Real, using the "M-" prefix in brand names would not be possible because another Finnish paper company, Myllykoski, was using this prefix in its own product names.

> **Stora Enso corporate communications manager (executive)**, *retrospectively:*
> Using "Stora" or "Enso" extensively in product names would not have been politically possible after the merger. It had to be so that Stora and Enso people could both identify themselves with and be proud of the brand names equally.
>
> **Metsä-Serla/M-Real marketing manager (division)**, *retrospectively:*
> We did not take this "M-" prefix into use anywhere. But it's understandable, considering that Myllykoski is using it. Myllykoski has product names beginning with "M-", such as "M-Brite" and "M-Plus".

Third, when it came to merchants owned by the corporation, the corporations would have to signal to the competing paper and board producers, as well as to other merchants, that the merchant business was quite an independent part of the corporation. To other paper and board producers, the signal was important because otherwise they would not necessarily have enough trust in that the merchant would trade its products in a fair way compared to the products of the corporation owning the merchant. Accordingly, they would not necessarily let the merchant sell their products. This would be problematic, as the corporation would not have a wide enough product selection demanded by end customers so that the merchant could competitively offer only the corporation's own products. Products of other producers would be needed in the selection. To other merchants, in turn, the signal was in some measure important because otherwise they would consider the corporation as a direct competitor to a greater extent and be less interested in taking the products of the corporation in their product selection. This would be problematic, as the corporation would

need many merchant chains to sell its products; the corporation's own merchant chain would not be able to sell all the graphic and office paper and board production of the corporation. To give these signals to other paper and board producers and to other merchants, it would be best not to have the corporate name incorporated in the brand names sold via the corporation's own merchant chain or to have the merchants operate under the name and identity of the corporation.[807]

Finally, eliminating or changing some office paper brand names to have the corporate name as part of the brand name could even be against the interest in building and maintaining strong brands and brand families in relation to products sold also to consumers and offices [ml#5]. Having the corporate name there could make the brand less attractive and more boring to end-consumers.

> **Marketing manager (division),** *retrospectively*:
> Having [the corporate name] there in the office papers and coming with it to consumers would not be sexy. When you go to consumers, you have to have something that brings emotions, which is identifiable, understandable, has attitude, sympathy – in the brand name already. That would not necessarily be done by going with the corporate name to the consumer.

[Metsä-Serla/M-Real]

When it came to products sold via merchants, interest in meeting merchants' demands came to be somewhat against the interest of M-Real's line managers, marketing managers, sales managers, and CEO in having the corporate name as part of the core business brand and brand family names. First, there were the interests in meeting merchants' demands concerning e.g. the ability to continue selling existing brands and/or selling certain brands exclusively in their market areas. But also, most merchants would not be willing to sell the brands of M-Real if the brand names included the name of this producer corporation, in order not to lose their power and the customers' trust to M-Real. The brand names, e.g. "M-Real Galerie Art Gloss" for graphic paper or "M-Real Galerie Card" or "M-Real Chromolux Monochrome" for graphic boards would also become somewhat too long and complicated for the merchant to sell. On the other hand, for M-Real, even using "M-" prefix in brand names was against management interests, because another Finnish paper company, Myllykoski, was using this prefix in its own product names.[808]

When it came to business units and areas, there was interest against having the merchant business operate under the corporate name and identity. M-Real would have to signal to the competing paper and board producers, as well as to other merchants, that the merchant business was quite an independent part of the corporation. So, the merchant business would operate under its own name and identity: the name "Map Merchants" was taken into use in June 2001[809].

Furthermore, M-Real had a business area where there were additional management interests against having the business operate under the corporate identity. "Integrated Brand Packaging" or "IBP" which Metsä-Serla had been developing since the end of the 1990s had a business model based on the idea that M-Real would orchestrate a global network of independent carton plants, which would not be owned by M-Real but could be e.g. small, independent family firms (see also p. 212). The independent carton manufacturers would

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[807] Interviews (e.g. with Taukojärvi 30.9.2005; Paananen 1.11.2005; Mynttinen 17.10.2005).

[808] Interviews (e.g. with Rysä 21.1.2005; Toiviainen 26.1.2005; Tuomarila 18.3.2005).

[809] Metsä-Serla Annual Report 2001.

[810] Interviews (e.g. with Toiviainen 26.1.2005).

simply not be willing to operate under the M-Real name, in order to avoid an image of being owned by or being exclusive allies of this one paper and board company. On the other hand, they would be willing to operate with the "IBP" alliance name. So, the "M-Real" corporate name and identity would not replace "IBP".[810]

[Enso/Stora Enso]

Also at Stora Enso, interest in meeting merchants' demands came to be somewhat against the management interest in having the corporate name as part of the core business brand and brand family names in products sold via merchants. For instance, very few merchants were willing to sell the graphic paper brands "Stora Enso Art", "Stora Enso Silk", "Stora Enso Print", and "Stora Enso Fine", which the corporation launched in 2000 to replace e.g. "LumiArt", "LumiSilk", "G-Print", and "MultiFine". The old brand names had to be taken back as the main brands to promote. Besides, changing the brand names so that there was no reference to e.g. "Lumi" or "Print" was also against the interest in maintaining strong brands and brand families. There were similar interests against changing the office paper brand names sold via merchants, such as changing "Multicopy" to "Stora Enso Copy".[811] The changes were not made.

When it came to business units and areas, there was the interest against having the merchant business operate under the corporate name and identity, like at M-Real. Stora Enso would have to signal to the competing paper and board producers, as well as to other merchants, that the merchant business was quite an independent part of the corporation. So, the merchant business would operate under its own name and identity, "Papyrus".

[UPM-Kymmene]

Also at UPM-Kymmene, interest in meeting merchants' demands came to be somewhat against the management interest in having the corporate name as part of the core business brand and brand family names in products sold via merchants. Few merchants were willing to sell e.g. coated fine paper as graphic paper with the name "UPM Finesse", particularly in the main market, Europe. However, UPM-Kymmene continued to promote and sell products under this brand name for and via certain merchants which wanted to sell the producer brand and were not bothered by the "UPM" corporate name as part of the brand name.[812]

Moreover, particularly in relation to office paper brand names, there was the interest in having the brand name itself be attractive to end-consumers which went against having the corporate name as part of the core business brand and brand family names. The interest against it was strong enough to have "Yes" and "Future" maintained as brands, even without reference to "UPM". Nevertheless, eventually, an additional brand family, "UPM Office", was launched in 2004. It would be sold, especially in Europe, via merchants that wanted to sell a manufacturer brand but could not sell "Yes" or "Future" because other merchants in the market area had been granted the right to exclusive sales. It would also be sold in new markets, such as China, where merchants were not powerful or large, did not have established chains, and did not have strong demands – and where consumers could actually appreciate prestigious corporate names as part of office paper brand names.[813]

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[811] Interviews (e.g. with Olsson 21.10.2005; Paananen 1.11.2005).

[812] Interviews (with Hennig 7.11.2005).

[813] Ibid.

10 Negotiations to 1st and 2nd phases of corporate branding

In this Chapter, I describe how the management practices and the translation of interests of the 1st and 2nd phases of corporate branding were redefined and new mobilizations made, as the problems which emerged with the management practices (described in sections 8.3, 9.3 as "Dissidence") were recognized.

10.1 Negotiated management practices of 1st and 2nd phases of corporate branding [mP′s]

10.1.1 Having core business brands and brand families in a corporate master brand family based on visuality [mP#5]

First, managers were interested in changing the definition of what would make the corporate name a "master brand" or "umbrella brand". The corporate name would not have to be part of the brand name used or the official product name. The corporate brand umbrella could also be formed merely by placing the corporate name and/or logo very visibly close to the brand or brand family name/logo in product promotion materials, product wrappings and packages, and product labels and by reducing the differences in visual identities between the brand and brand family names/logos, as well as in those of the related product promotion materials, wrappings and packages, and product labels. The differences would be reduced e.g. by eliminating product logos, having the product name come in a standard, non-striking typeface, and using similar graphical elements and layouts across the materials.

Forming the corporate brand umbrella this way would align interests related to the first and second phase of corporate branding with some of those that emerged in the Dissidences, since brand names themselves could be left unchanged and without the incorporation of the corporate name. Strong brand names could be maintained, particularly when it came to products sold via merchants. Merchants could continue to sell the existing brand names. Some merchants could have the exclusivity to certain brand names. There would not be special problems, like in the packaging board business with the certification and shelf tests of the renamed products. The brand names for products sold to consumers, companies, and public institutions could also be made or maintained, in themselves, attractive-sounding, without the corporate name as a prefix. Merchants would not need to sell brand names incorporating the corporate name of a producer company. The brand names would not become too long and complicated.

Actually, the managers were interested in making the umbrella dominant to varying degrees with respect to different kinds of products and brand names. Strong dominance would be gained by placing the corporate name and logo very visibly and dominantly together with the product name, according to a certain standardized position, in product promotion materials, product wrappings and packages, and product labels; by having the product name come in a standard, non-striking typeface; and by using similar graphical elements and layouts across the materials. Of course, strong dominance would also be gained by having the corporate name as part of the product brand and brand family names. Weaker dominance, on

the other hand, would be gained by still having the corporate name visible in the materials but not so dominant in size and position relative to the product brand name.

The managers were interested in making the umbrella brand dominant in most products. However, the managers were less interested in making the umbrella highly dominant with respect to products promoted and sold to consumers, ordinary companies, and public institutions, i.e. office papers. There, the corporate name and logo would not necessarily be very dominant in relation to the product brand name in production promotion materials, wrappings, or packages, and there could be distinctive brand logos and visual styles used in the materials and packages. This was to align with the interest that emerged in the Dissidence of the second phase of corporate branding: not only the product name but the wrappings and packages and promotion materials of office paper products should be distinctive and attractive to the end-users. However, the corporate name and logo would still be made fairly visible.

Finally, when it came to products promoted and sold via merchants with the corporation's own brands, promotional materials to end-customers would be made in closer cooperation with merchants than before. This would ensure, from the corporation's viewpoint, that most promotional materials would indeed have the corporate name and/or logo placed visibly and close to the brand or brand family name/logo in the materials, as well as that the determined visual identity would be applied. On the other hand, merchants could have their own space on the promotional materials; for instance, in brochures, merchants could have the backside for their own promotion. Thus, both the corporation's and the merchant's brand would be jointly promoted.

10.1.2 Having products offered to a customer group or for an end use in sub-brand families based on visuality and grouping [mP#6]

Second, managers were interested in changing the definition of what would make up a brand family or a sub-brand family. The brand names in the family would not have to share any common part. The sub-brand family could be formed merely by reducing differences in the visual identities of the brand and brand family names/logos, as well as in those of the related product promotion materials, wrappings and packages, and product labels; by presenting the brands grouped together in the promotional materials; and by sometimes having an additional brand family name for the products, or product brands, also to be presented in the promotional materials. This additional brand family name could describe the end use or customer group of the products and incorporate also the corporate name.

Forming sub-brand families in this way would align interests related to the first and second phases of corporate branding with some of those that emerged in their Dissidences. First of all, since brand names themselves could be left unchanged and without the incorporation of the corporate name, the interests would be aligned as above. Moreover, since by visual identity, by grouping the brand names, and by having an additional brand family name, brand families could be formed without changing the brand names, certain brand names could belong to several brand families. Thus, there would not be the problems that would arise from having the brand names differ according to customer groups or end-uses if the same product was sold to several customer groups or for several end-uses. Furthermore, the corporate name could be incorporated into the additional brand family name without problems.

10.1.3 Focusing promotion of products sold via intermediaries on few sub-brands and sub-brand families [mP#7]

Third, managers were interested in concentrating promotion efforts heavily on few sub-brands or sub-brand families for certain customer groups or end-uses, particularly when it came to products sold via merchants. If the corporation had come to own and promoted and sold a certain product with several mill brands, promotion was focused heavily on few or only one of these. Other brands could be eliminated or given exclusively for some merchants to promote and sell.

Concentrating on promoting only few brands this way would also align interests related to the first and second phases of corporate branding with some of those that emerged in their Dissidences. Particularly some brand names themselves would not have to be eliminated or changed for a certain product to still be promoted and sold mainly with only one brand name.

10.2 Translations of management interests to management practices of corporate branding [mI′s→mP′s]: Negotiated 1st and 2nd phases

The negotiated management practices [mP#5, mP#6, mP#7] were basically translations of quite the same interests as those of the 1st and 2nd phases of corporate branding (mP#1–mP#4). Only the way of having the master or umbrella brand family based on the corporate name, the way of forming and having brand families, or sub-brand families, and the way of promoting and selling one brand name for the same product were redefined.

When it came to having the master brand family based on the corporate name [mP#3], the translation of interests related to it in the 2nd phase of corporate branding, after all, simply called for associating the corporate name closely with the brand names and making the product brands similar and less distinctive – and having e.g. customers, investors, and employees pay attention to and form images based on the association and similarity. This concerned all the translations of the interests in having brands and brand families in a corporate master brand family [mI's→mP#3]:

> Sect. 9.2.1   Developing and maintaining strong product brands and brand families [mI#5→]
> Sect. 9.2.2   Emphasizing to customers the corporation's offering of a wide product range rather than that of individual products [mI#6→]
> Sect. 9.2.3   Increasing (direct) customer awareness of the corporation as a paper and board supplier [mI#8→]
> Sect. 9.2.4   Making (direct) customers indifferent of which mill produced the products [mI#15(m&a)→]
> Sect. 9.2.5   Emphasizing to customers the corporation's offering of large volume supply reliability, services, and solution help rather than that of products [mI#7,9,11→]
> Sect. 9.2.6   Having employees identify themselves with and be proud of the corporation [mI#18(m&a)→]
> Sect. 9.2.7   Increasing investor and potential employee awareness of the corporation as a paper and board company [mI#1,mI#12→]
> Sect. 9.2.8   Communicating a clear and focused portfolio of core products and businesses to investors and analysts [mI#2→]

Now, in the negotiation, the forming of the master brand family based on the corporate name would not necessarily be achieved by making the corporate name an actual part of the brand names like in the 2nd phase of corporate branding. It could be largely achieved also by [mP#5]: placing the corporate name and/or logo quite visibly close to the brand or brand family name/logo in product communication materials and by reducing the differences in the

visual identities of brand and brand family names/logos, as well as in the related product communication materials. As an example, with respect to interest [mI#5] above, the costs of promoting products sold via merchants to end-customers would be reduced. Promoting a certain brand under the corporate umbrella brand would, to some extent, promote all the brands under the umbrella, not just those within the same sub-brand family and sharing part of the same brand name. On the other hand, some trust and emotional bonding would transfer from the product brands to the corporate umbrella brand, making later new product or brand introductions under the corporate brand easier with a transfer of trust and emotional bonding, again. These kinds of brand family advantages could not be achieved by forming the brand families by changing existing brand names to incorporate a common part, such as the corporate name, due to the refusal from e.g. the merchants' side.

When it came to forming sub-brand families [mP#2], the translation of interests related to it in the 1st phase of corporate branding, after all, simply called for making the product brands similar and less distinctive within a to-be-formed family, unifying the visual style in the product communication of the brands, and making promotional materials primarily for the family together, presenting the products of the family jointly. This concerned all the translations of the interests in having products offered to a customer group or for an end use grouped in brand families [mI's→mP#2]:

> Sect. 8.2.2   Reducing salespeople and customer confusion, preventing cannibalization of sales, and eliminating competing promotion among the corporation's products [mI#16(m&a)→]
> Sect. 8.2.3   Emphasizing to customers the corporation's offering of a wide product range rather than that of individual products [mI#6→]
> Sect. 8.2.4   Communicating a clear and focused portfolio of core products and businesses to investors and analysts [mI#2→]
> Sect. 8.2.5   Emphasizing the corporation's brands to analysts and investors [mI#3→]
> Sect. 8.2.6   Having employees identify themselves with and be proud of the corporation [mI#18(m&a)→]
> Sect. 8.2.7   Developing and maintaining strong product brands and brand families [mI#5→]
> Sect. 8.2.8   Increasing (direct) customer awareness of the corporation as a paper and board supplier [mI#8→]

Now, in the negotiation, this offering of products to a certain customer group or for a certain end use in product brand families would not necessarily be achieved by having products in a brand family share part of the product name like in the 1st phase of corporate branding. It could be largely achieved merely by [mP#6]: reducing the differences in the visual identities of brand and brand family names/logos, as well as those of the related product communications materials; by presenting the brands grouped together in the promotional materials; and by having an additional brand family name for the product brands, to be presented in the promotional materials. As an example with respect to the translation of interest [mI#16] above, this way customer confusion could be reduced. Certain groups of customers could be offered a product brand family of products for a certain end-use and overlapping promotion costs prevented even if the brand names did not have a common part. These kinds of brand family advantages could not be achieved by forming the brand families by changing the existing brand names to incorporate a common part, due to the refusal from e.g. merchants' side.

Finally, when it came to having one brand name – that does not refer to a mill name - for the same product produced at different mills [mP#1], translation of interests related to it in the 1st phase of corporate branding, after all, simply called for one customer, investor, or employee preferably encountering only one or few brands per one product – not many – and that only one or few brands per one product, in general, would have to be promoted. This concerned all the translations of the interests into having one brand name for the same product produced at different mills [mI's→mP#1]:

> Sect. 8.2.1   Making (direct) customers indifferent of which mill produced the products [ml#15(m&a)]
> Sect. 8.2.2   Reducing salespeople and customer confusion, preventing cannibalization of sales, and eliminating competing promotion among the corporation's products [ml#16(m&a)→]
> Sect. 8.2.3   Emphasizing to customers the corporation's offering of a wide product range rather than that of individual products [ml#6→]
> Sect. 8.2.4   Communicating a clear and focused portfolio of core products and businesses to investors and analysts [ml#2→]
> Sect. 8.2.5   Emphasizing the corporation's brands to analysts and investors [ml#3→]
> Sect. 8.2.6   Having employees identify themselves with and be proud of the corporation [ml#18(m&a)→]
> Sect. 8.2.7   Developing and maintaining strong product brands and brand families [ml#5→]
> Sect. 8.2.8   Increasing (direct) customer awareness of the corporation as a paper and board supplier [ml#8→]

Now, in the negotiation, this promoting of products in a way that only one or few brands per one product were promoted and that one customer, investor, or employee encountered the promotion of only one or few brands per one product, would not necessarily be achieved by having only one brand per product. It could be largely achieved merely by [mP#7]: concentrating promotion efforts heavily on one or few sub-brands or sub-brand families for certain customer groups or end-uses and by eliminating other brands or giving them exclusively for some merchant to own rights to, promote, and sell. This concerned particularly products sold via merchants, where the elimination of all the overlapping brands would be difficult, due to the Dissidence described in the 1st phase.

As an example with respect to interest [ml#16(m&a)] above, this way competing promotion to commercial printers served in a certain country and cannibalization of sales could be reduced. A strong local brand of e.g. coated fine paper could be promoted to a small or moderate extent in that country, and only in that country, or the promotion could be left for the local merchant to handle. On the other hand, promotion efforts could be heavily focused on a stronger general brand sold or to be sold in many countries, also in the above country. In this case, among the customers in the country, a maximum of one or two brands of the corporation would be promoted by itself – not the brands that were possibly strong in another country.

As a further example with respect to interests [ml#2], [ml#3], and [ml#18(m&a)] above, this way a focused portfolio of core products could be communicated to investors and analysts, strong brands could be emphasized to them, and employees could be made to identify themselves more with and be prouder of the corporation. Even if the corporation promoted and sold basically the same product to customers with several brand names, locally somewhat strong, in different market areas via different merchants, it could, for instance, on the website and in company magazines promote only one brand that was stronger to a wider extent, across market areas. This would prevent investors from getting the impression of an unfocused portfolio, as they would encounter merely the promotion of one brand per product. On the other hand, this brand could be perceived as a strong brand of the corporation to investors and employees: investors' demands for strong brands would be better met and employees would identify themselves more with and be prouder of the corporation, due to the widely recognized strong brand it owned. Little attention would be paid to the fact that the corporation could sell the same (commodity) product via merchants with e.g. four mill brand names across markets – and even less, of course, to the fact that the same product, some 70 – 80 percent of its production actually, could be sold with many more private label brands of merchants.

Enso/Stora Enso line manager (division, executive), *retrospectively*:
Most of these brands related to products sold via merchants are rubbish, in the sense that their strength among customers is rather questionable…

Enso/Stora Enso marketing manager (division), *retrospectively*:
…if you go, for instance, to our website, you may get the impression that, for instance, "LumiArt" promoted there is a nice and strong coated paper brand of ours. In reality, the exactly same product goes to the market with seven or eight brand names. The proportion of "LumiArt" of that total is just a fraction. Of the rest, some are brand names we own, most are private labels. And of course, the majority of the production goes to end-customers with merchant labels…

Merchant manager, *retrospectively:*
When you look at the producers' websites, it may seem that they have strong and clear brands and products there. The truth is different. Their brands are usually a mess. You always have to ask for whom the brands that seem strong are meant for. For the ego of management and employees, engineers, investors… Not at least so much for customers.

[Metsä-Serla/M-Real]

Having core business brands and brand families in corporate master brand family based on visuality [mP#5]

Interested in making up an umbrella brand family based on the corporate name or brand, but having interests against having "M-Real" as part of the product brand names, the managers at M-Real were, after the acquisitions of Modo Paper and Zanders in 2000-2001, interested in forming a corporate brand umbrella by placing the corporate name and/or logo very visibly close to the product brand or brand family names/logos in product promotion materials, product wrappings and packages, and product labels, and by reducing the differences in the visual identities of brand and brand family names/logos, as well as in those of the related product promotion materials, wrappings and packages, and product labels. The differences would be reduced e.g. by eliminating most product brand logos, having the product brand name come in a standard, non-striking typeface, and using similar graphical elements and layouts across the materials.[814]

The interests were strong, as in core products and product brands sold directly or via merchants to businesses for converting use (not office use) by e.g. publishers, large printing houses, or packaging manufacturers, or commercial printers, the corporate brand was made into a fairly dominant umbrella, since 2002 and the following years, for different products. The corporate brand would be present as an "endorser" in all product communications and the product brands would play smaller roles than before. The corporate name "M-Real", which was at the same time the logo, would be placed very visibly and dominantly together with the product brand name in product promotion materials, product wrappings and packages, and product labels, according to a certain standardized position. Also, the product brand name would be made to usually appear in a standard, non-striking typeface and similar graphical elements and layouts were used across the materials – although with certain stronger brands, such as the "Silver" digital paper products and the "Zanders" products, earlier product brand logos could still be used.

Figure 9 below shows the graphical elements and layout of a typical promotion brochure

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[814] Interviews (e.g. with Toiviainen 26.1.2005; Rysä 21.1.2005; Lahtinen 11.1.2005);
M-Real Corporate Communications, Brand Toolbox, http://brandtoolbox.m-real.com (Accessed 6.3.2006).
M-Real Website, http://www.m-real.com/wps/portal/!ut/p/_s.7_0_A/7_0_CH/.cmd/ad/.ar/sa.fireAptrixPortletAction/.c/6_0_69/.ce/7_0_IQ/.p/5_0_9E/.d/2?PC_7_0_IQ_aptrixPortletAction=UpdateAptrixPortletContext&WCM_Context=http://www.m-real.com/ilwwcm/connect/OneWeb/Products+and+services/ (Accessed 15.9.2005).
M-Real Annual Report 2003, pp. 10, 14, 15.
M-Real Annual Report 2001, pp. 8, 14.

for business product brands, with the "M-Real" name/logo as a dominant endorser in the lower right corner relative to the product brand name/logo in the lower left corner. The example brochures in the Figure are for the "Galerie Fine", "Galerie Brite", and "Galerie One" product brands. Figure 10 shows examples of the names/logos of other product brands – with the same, standard, non-striking typeface. The outlook of brochures for these brands would be highly similar to those shown in Figure 9. Only the product brand or brand family name/logo, e.g. "Galerie Art", EuroArt", "Modo Papers", "Avanta", or "Carta" would be substituted (as well as, of course, the exact copy and images). Figure 11 shows the bottom part of typical promotion brochure for business products, for brands which had been stronger generally or locally: the product brand logo (e.g. "Zanders", "Tauro") is retained, but "M-Real" still acts as a dominant endorser.
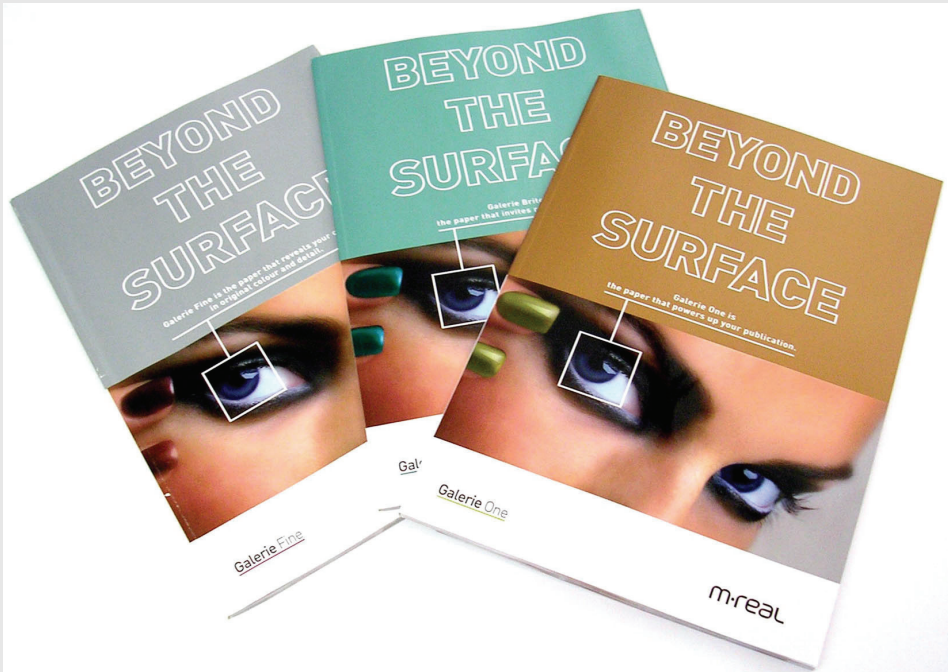
Figure 9: Typical promotion brochure for M-Real's business products.

Figure 10: Example brand logos of M-Real's business products.

Figure 11: Typical promotion brochure (bottom) for M-Real's business products with stronger product brands.

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815 Interviews (e.g. with Toiviainen 26.1.2005; Rysä 21.1.2005; Lahtinen 11.1.2005).
M-Real Corporate Communications, Brand Toolbox, http://brandtoolbox.m-real.com (Accessed 6.3.2006).

816 Ibid.

817 Ibid.

818 Ibid.

819 Ibid.

In products and product brands promoted and sold via intermediaries for the office use of consumers, ordinary companies, and public institutions, i.e. office papers, the corporate brand was made a somewhat less dominant umbrella. The corporate name and logo would go quite visibly together with e.g. "Data Copy", "Evolve", or "Logic" but there would be distinctive product brand logos and visual identities used in promotional materials and product wrappings and packages.[815] Figure 12 below shows, as examples, the logo of the "Data Copy" office paper brand, the wrapping of the "Data Inkjet" product of the same brand family, and wrappings and a box of products of the "Evolve" office paper brand family. The product brands, promotional materials, and wrappings and packages have their own visual identities, but "M-Real" is clearly visible.

Figure 12: Example product brand logos, wrappings, and packages of M-Real's office products.

An information system was set up at the corporate level in M-Real in 2002–2004 where promotional materials produced for different divisions and units could be controlled by a special corporate brand manager, so that the corporate brand umbrella would be realized properly according to set guidelines. The manager could review the produced materials and request changes to them if they were unacceptable. Actually, at first, the production of new product promotion materials of all the units was even largely given to one particular international advertising chain or consortium, to make the control even stricter. Moreover, when it came to products promoted and sold via merchants with the corporation's own brands, promotional materials to end-customers would be made in closer cooperation with the

merchants than before. This would ensure for M-Real that most promotional materials would indeed have the corporate name and/or logo placed visibly close to the brand or brand family names/logos in the materials and that the determined visual identities would be applied properly. On the other hand, merchants would have their own space in the promotion materials; for instance, in brochures, merchants could have the backside for their own promotion. Thus, both the corporation's and the merchant's brands would be jointly promoted.[816]

Focusing promotion of products sold via intermediaries on few sub-brands and sub-brand families [mP#7]

Interested in making up an umbrella brand family based on the corporate name, or brand, but having interests against having "M-Real" as part of product brand names, M-Real managers were interested also in concentrating promotion efforts heavily on few sub-brands or sub-brand families for certain customer groups or end-uses. This was the case particularly when it came to products sold via merchants. The interests were strong, as "Galerie", "Euro", and "Zanders" were chosen as the brand families, including coated fine papers as graphic papers, to be promoted with merchants to commercial printers in many market areas – as well as heavily promoted on the corporate website. Especially the "Galerie" family, including also reel versions of fine and magazine papers, was to be promoted also to direct customers. The "Zanders" family, with its various subfamilies, such as "Chromolux" and "Ikono", would on the other hand be promoted mainly as a family of special papers and design papers for special purposes. Furthermore, the "Silver" digital papers would be fairly extensively promoted across market areas. When it came to office papers, "Data" papers and "Evolve" were the brand families to be promoted with intermediaries to companies, public institutions, and consumers in many market areas.[817]

There would be some local promotion continued with merchants for some locally strong graphic paper and office paper brands, such as "Tauro" in graphic papers, particularly in Germany, and "Logic" in office papers, particularly in the UK. Then there were brands which the corporation would not promote much at all but which would still be sold by some local merchants in some market areas. For instance, around Switzerland, brands like "Allegro" and "Furioso" in coated woodfree fine papers and "Diamant" and "Novanta" in uncoated woodfree preprint papers continued to be sold via some merchants; around France, "Diane" in coated woodfree fine papers and "Orsay Plus" in uncoated woodfree preprint papers; and around the UK, "Nimrod" in coated woodfree fine papers and "Crossbow" in uncoated woodfree papers. Other paper brand names would mostly be eliminated altogether.[818]

When it came to paperboard products, which were mostly sold directly to packaging manufacturers, the "Avanta" brand family would be promoted mainly to beautycare packaging manufacturers, the "Simboards" family to food packaging manufacturers and a new "Carta" family to healthcare packaging manufacturers. The "Tako" brand family would be promoted to tobacco producers and tobacco packaging manufacturers. The "Cresta" brand family of wallpaper basepaper products would be promoted to wallpaper manufacturers and the "Kemiart" brand family of kraftliner products to corrugated case manufacturers. To commercial printers for use as graphic boards, the "Galerie" family and "Chromolux" would be the families mainly promoted, albeit that some promotion could be done with some merchants also for "Carta" products. Other brand names would be mainly eliminated altogether.[819]

[Enso/ Stora Enso]

Having core business brands and brand families in a corporate master brand family based on visuality [mP#5]

Also at Stora Enso, interested in making up an umbrella brand family based on the corporate name, or brand, but having interests against having "Stora Enso" as part of the product brand names, particularly in office papers sold via intermediaries, managers were interested in forming a corporate brand umbrella based on visuality. The interests were strong, as in core products and product brands sold directly or via merchants to businesses for converting use (not office use), the corporate brand was made quite a dominant umbrella for various products of this kind in the year 2000 and the following years. The corporate brand would be present as an umbrella brand in all product communications and the product brands would play smaller roles than before. With publication paper products, the corporate name would be part of the product brand names, basically to form the "Stora Enso Press (Selection)" family. Figure 13 below shows how the product logos/names would typically appear in the materials related to publication paper products. But also with other core products sold to businesses for converting use, the corporate name "Stora Enso" and the corporate logo would be placed very visibly together with the product brand name in product communication materials, according to a certain somewhat standardized position. This concerned, for instance, most products sold with the corporation's own brands via merchants to commercial printers. Also, the product brand names would usually appear in a standard, non-striking typeface (see Figure 13) and similar graphical elements and layouts were used across the materials – although for certain brands sold via merchants, some product brand logos could still be used.[820] For instance, when it came to fine paper products of the mills obtained from the acquisition of Consolidated Papers in 2000, many brand names were eliminated and the products mainly grouped into few brand families based on existing strong brands, such as "Centura", "Productolith", "Orion", "Fortune", and "Excellence", targeted to different end-uses and customers. But the corporate name "Stora Enso" and the corporate logo would again be placed very visibly together with the product brand names in product communication materials and product brand names would appear in the standard typeface and similar graphical elements and layouts would be used across the materials.[821]

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[820] Interviews (e.g. with Vainio 22.3.2005; Haapsaari 20.4.2005; Haglund 25.10.2005; Olsson 21.10.2005; Hirsch 26.10.2005); Stora Enso Corporate Communications, Naming Protocol 27.6.2002.

[821] Davis, Carol (2001), "Shakki ja matti", *Stora Enso Global,* Toukokuu, pp. 38–39. Stora Enso Annual Report 2001, p. 7.

Figure 13: Examples of typical product brand logos/names of Stora Enso's business products.

On the other hand, in products and product brands promoted and sold via intermediaries to office use of consumers, ordinary companies, and public institutions, i.e. office papers, including digital papers, the corporate brand would be a somewhat less dominant umbrella. The corporate name and logo would be visible in the promotional materials, wrappings, and packages of e.g. "Multicopy", "Berga", or "4cc". However, there would be distinctive product brand logos and visual styles used in promotion materials and product wrappings and packages.[822] Figure 14 below shows, as examples, the wrapping of "Berga" and "4cc" office paper brands. The product brands, promotional materials, and wrappings and packages have their own visual identities, but "Stora Enso" is quite visible.

Figure 14: Example product brand logos and wrappings Stora Enso's office products.

822 Interviews (e.g. with Vainio 22.3.2005; Haapsaari 20.4.2005; Haglund 25.10.2005; Olsson 21.10.2005; Hirsch 26.10.2005); Stora Enso Corporate Communications, Naming Protocol 27.6.2002.

823 Ibid.

824 Interviews (e.g. with Haapsaari 20.4.2005; Karhu 9.11.2005; Taukojärvi 30.9.2005).

825 Munter 2001a.

826 Munter 2002a.

827 Stora Enso website, "Products>Graphic Papers", http://www.storaenso.com/CDAvgn/main/0,,1_-1158-1071-,00.html (Accessed 5.11.2005).

828 Interviews (e.g. with Olsson 21.10.2005).

829 Interviews (e.g. with Olsson 21.10.2005; Haglund 25.10.2005; Karhu 9.11.2005).

830 Interviews (e.g. with Olsson 21.10.2005; Haglund 25.10.2005).

831 Ibid.

Guidelines were set up for producing promotional materials, wrappings, and packages, for implementing the corporate umbrella branding in them. The corporate level communications managers would review and exert some control to ensure that the production of these materials was done according to the guidelines. Moreover, when it came to products promoted and sold via merchants with the corporation's own brands, promotion materials to end-customers would be made in tighter cooperation with the merchants than before.[823]

Having products offered to a customer group or for an end use in sub-brand families based on visuality and grouping [mP#6]

More than at M-Real, interested in having products offered to a customer group or for an end use in sub-brand families but having interests against eliminating or changing product brand names, Stora Enso managers were also interested in forming sub-brand families merely by reducing differences in the visual identities of brand and brand family names/logos, as well as those of the related product promotion materials, wrappings and packages, and product labels; by presenting the brands grouped together in the promotional materials; and by having an additional brand family name for the products, or product brands, to be presented also in the promotional materials. This additional brand family name could describe the end use or customer group of the products while also incorporating the corporate name.[824]

The interests were fairly strong, as in relation to paperboards sold mainly to manufacturers of consumer good packaging, additional brand family names were made up based on the end use of the products since 2001–2002. "Stora Enso" could easily be made part of these brand family names. Thus, there was little need to change the actual product brand names, which could be a problem in the sense of merchant demands or even certification and shelf test demands. The additional brand family names would be such as:

> "Stora Enso Beverage & Multipack Packaging Boards"
> "Stora Enso Chocolate & Confectionery Packaging Boards"
> "Stora Enso Cigarette Packaging Boards"
> "Stora Enso Cosmetics & Luxury Packaging Boards"
> "Stora Enso Detergent & Household Packaging Boards"
> "Stora Enso Food Packaging Boards"
> "Stora Enso Graphical Boards"
> "Stora Enso Liquid Packaging Boards"
> "Stora Enso Pharmaceutical Packging Boards"

Even solutions involving services and packaging machinery could be branded similarly; for instance under "Stora Enso Media Solutions", paperboards but also package printing and manufacturing machines for e.g. CD packaging were promoted and sold. Within all the above packaging board –related families, more or less the same product brands could be promoted; e.g. "Ensocoat", "Neocart", "Performa", "Printocart", "Tambrite", "Tamwhite" and "Triplex".

Moreover, also in publication papers and graphic papers, similar forming of additional sub-brand families was done in 2001–2002. Publication paper products were given the additional brand family name of "Stora Enso Press Selection" (like shown in Figure 13 above). Further, sub-brand families were also formed with additional brand names, with the visual help of colours and by presenting the brands grouped together in the promotional materials, based largely on the technical grades by which the customers were used to categorizing the end-uses of the products. The sub-families and the product brands included in them, to be promoted were[825]:

> "Orange" (slightly mechanical coated papers: LWC and MWC)
>> "NovaPress"

> > "ArtiPress"
> > "CosmoPress"
> > "Red" (mechanical coated and uncoated papers: LWU, LWC, and MWC)
> > > "TerraPress"
> > > "NeoPress"
> > > "TurnoPress"
> > > "MagniPress"
> > > "PrimaPress"
> > "Yellow" (machine finished coated mechanical papers: MFC)
> > > "SolarisPress"
> > > "StellaPress"
> > "Blue" (super calendered mechanical papers: SC)
> > > "PubliPress"
> > > "ColourPress"
> > > "EnviPress"
> > > "SuperPress"
> > "Pink" (mechanical book papers and directory papers)
> > > "LibroPress"
> > > "LibroBook"
> > > "LibroDirectory"
> > "Purple" (machine finished mechanical papers: MF)
> > > "ExoPress"
> > > "Exo 80/76/72/68/74"
> > "Green" (coloured and uncoloured newsprint)
> > > "NewsPress"
> > > "SpectraPress"

Later, the "Black" sub-family was added for woodfree fine papers used as publication papers, with products branded as "LumiPress", "MagicPress", "G-Press", and "MailPress"[826]. When it came to graphic paper products, an analogous additional brand family to "Stora Enso Press Selection" was formed, i.e. "Stora Enso Graphic Paper Collection" (first "Stora Enso Print Collection"). There, further families were formed with additional, very descriptive names (such as "Papers for images and graphics" and "Papers business communication"), with the visual help of colours and symbols and by presenting the product brands grouped together in the promotional materials, based on the end use of the products[827]. In these families, many product brands were actually the same that had been tried to be changed to e.g. "Stora Enso Art" (again "LumiArt"), "Stora Enso Silk" ("LumiSilk"), "Stora Enso Print" ("G-Print") and "Stora Enso Fine" ("MultiFine") – the change which had been canceled due to interests in meeting merchants' demands (see p. 314). On the other hand, the products were actually the same technical products, only sheeted versions, of some products sold directly to customers in reels in "Stora Enso Press Selection". For instance, "LumiPress Art" was basically "LumiArt" in reels, and "G-Press" was "G-Print" in reels.[828]

Focusing promotion of products sold via intermediaries on few sub-brands and sub-brand families [mP#7]

Interested in making up an umbrella brand family based on the corporate name, or brand, but having interests against having "Stora Enso" as part of product brand names, Stora Enso managers were also further interested in concentrating promotional efforts heavily on few sub-brands or sub-brand families for certain customer groups or end-uses. In general, individual product brand names would not be promoted much but most promotion would be done at the levels of brand families, i.e. for products targeted at certain customer groups for certain end-uses together. For instance, products or product brands in "Stora Enso Press Selection" or in "Stora Enso Graphic Papers Collection" or in "Stora Enso Beverage & Multipack Packaging Boards" etc. would be largely promoted together.[829]

In addition, when it came to products sold via merchants, where there were interests in

letting different merchants continue selling the same products with different brand names, only one or few the product brands for each product would be more heavily promoted by Stora Enso – also on the websites, where they would be visible to e.g. investors and employees. Other brands would be given exclusively for some merchants to promote and sell or eliminated altogether. If given to a merchant to promote and sell, the corporation would put little or no resources to promoting the brand – unless, of course, the merchant was Stora Enso's own, Papyrus. For instance, with premium multi-coated woodfree fine paper sold as graphic paper to commercial printers via merchants, Stora Enso promoted more heavily only "LumiArt" in many markets, also on its website, but sold it also with names such as "MultiArt", "MediaPrint", and "MegaPrint" via different merchants, with little promotion by Stora Enso. And, besides, most of the production was actually sold to merchants for sales with private label brands; for instance, in Europe, the Map Merchant chain owned by M-Real sold it with the "Tom&Otto" brand, Buhrmann Ubbens with "Mondial" or "Core", and Schneidersöhne with "LuxoMagic/LuxoSatin"[830].

With office papers sold to ordinary businesses, public institutions, and consumers, in turn, only "Multicopy" and "Berga" brand families were more heavily promoted, as well as "4cc" as a colour copying and printing product family. Other brand names sold via some merchants would be promoted little or not at all or eliminated altogether.[831]

[UPM-Kymmene]
Having core business brands and brand families in a corporate master brand family based on visuality [mP#5]

Also at UPM-Kymmene, interested in making up an umbrella brand family based on the corporate name, or brand, but having interests against having "UPM" as part of some product brand names, managers were interested in forming a corporate brand umbrella based on visuality, particularly with office papers sold via intermediaries to consumers, ordinary businesses, and public institutions.

In core products and product brands sold directly or via merchants to businesses for converting use (not office use), the corporate brand was made a dominant umbrella by making it part of most product brand names, starting from publication paper products already since 1999 (see also p. 285). In core business products and product brands, sold to businesses via merchants – particularly in sheeted fine paper sold to commercial printers – the corporate brand was made a fairly dominant umbrella by adding the corporate name to product brand names since 2001. "UPM" was a neutral enough part in names such as "UPM Finesse" (coated woodfree fine paper) and "UPM Fine" (uncoated woodfree fine paper) for some smaller merchants to sell.[832]

On the other hand, in office paper products, due to the interests against having the corporate name as part of the brand names, the corporate brand was made an umbrella, albeit not dominant, only by visuality: by placing the corporate name and logo somewhat visibly in product wrappings and packages, product promotion materials, and product labels and by reducing differences in the visual identities of brand and brand family names/logos – with the "Yes" and "Future" brands. There would still be distinctive product brand logos and visual styles used in promotional materials and product wrappings and packages.

Nevertheless, in packages of "Future", containing five reams of paper and found in offices somewhat all across Europe, the "UPM" name and the corporate griffin logo would be

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832 Interviews (e.g. with Järventie-Thesleff 29.12.2004; Piironen 17.1.2005; Hennig 7.11.2005; Neuvonen 1.3.2005).

quite large and visible, with nothing else printed on the side of the package. In this sense, the corporate brand would be somewhat dominant.[833] Figure 15 below shows a package of "Future" office paper in my own office.

Figure 15: Package of UPM-Kymmene's "Future" office paper in my own office.

Further, later on in 2003–2004 an additional office paper brand was introduced where the dominance of the "UPM" corporate brand was much stronger. The brand name became "UPM Office" and was to replace the remaining brand names associated with the producing mills, such as "KymLux", "nopaColour", and "Vosgigold"[834]. "Yes" and "Future" would still be promoted and sold, but their position as separate brands with less corporate brand dominance was beginning to be questioned.[835]

Guidelines were set up for producing promotion materials, wrappings, and packages, for implementing the corporate umbrella branding in them. The corporate level communications managers would review and exert some control on that the production was done according to the guidelines. Moreover, when it came to products promoted and sold via merchants with the corporation's own brands, promotional materials to end-customers would be made in closer cooperation with the merchants than before.[836]

Having products offered to a customer group or end use in sub-brand families based on visuality and grouping [mP#6]

Interested in having products offered to a customer group or end use in sub-brand families but having interests against eliminating or changing product brand names, UPM-Kymmene

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[833] Ibid.

[834] UPM-Kymmene, Press Release, 31.3.2004.

[835] Interviews (e.g. with Järventie-Thesleff 29.12.2004; Piironen 17.1.2005; Harrela 24.3.2005; Hennig 7.11.2005; Neuvonen 1.3.2005).

[836] Ibid.

[837] UPM-Kymmene website, http://w3.upm-kymmene.com/upm/internet/cms/upmcms.nsf/$all/0FB7D423D35CF61FC22570CB004ADEB3?OpenDocument&qm=menu,2,0,0 (Accessed 25.12.2004);
Interviews (e.g. with Järventie-Thesleff 29.12.2004; Piironen 17.1.2005; Harrela 24.3.2005; Hennig 7.11.2005; Neuvonen 1.3.2005).

[838] Ibid.

[839] Ibid.

[840] Ibid.

[841] Interviews (e.g. with Järventie-Thesleff 29.12.2004; Piironen 17.1.2005; Harrela 24.3.2005; Hennig 7.11.2005; Neuvonen 1.3.2005).

[842] Interviews (e.g. with Hennig 7.11.2005).

[843] Ibid.

managers were also interested in forming sub-brand families merely based on visuality and grouping. The interests were strong, as with papers for digital printing sold mainly to commercial printers via merchants but also to direct customers, additional brand family names were made up since 2001–2002. They were largely based on the technical grade types – newsprint, magazine paper, and fine paper – by which the customers were used to categorizing the end uses of the products. "UPM" was also made part of these brand family names. The additional brand family names would be "UPM DIGI FINE", "UPM DIGI MAGAZINE", and "UPM DIGI NEWSPRINT"; some of the product brands included in the families would be[837]:

> "UPM DIGI FINE"
>> "UPM DIGI Finesse"
>> "UPM DIGI Colour Laser"
>> "UPM DIGI Presentation"
>> "UPM DIGI Laser"
>> "UPM DIGI High Definition"
>> "UPM DIGI Jet"
> "UPM DIGI MAGAZINE"
>> "UPM DIGI Star"
>> "UPM DIGI Cote"
>> "UPM DIGI Satin"
>> "UPM DIGI Lux"
> "UPM DIGI NEWSPRINT"
>> "UPM DIGI Brite"
>> "UPM DIGI Colour"
>> "UPM DIGI News"

Furthermore, with paper products mainly sold directly to large converters, additional brand family names were made up, based on the end use of the products. "UPM" was also made part of these brand family names. For label paper products, the additional brand family name "UPM LABELPAPERS", including even additional brand family names within: "UPM Face" and "UPM Base", for label facepapers and basepapers, respectively. Within these families, there would be different brand names[838]:

> "UPM LABELPAPERS"
>> "UPM Base"
>>> "UPM Blue"
>>> "UPM Honey"
>>> "UPM Golden"
>>> "UPM Brilliant"
>>> "UPM SCK"
>>> "UPM CCK"
>> "UPM Face"
>>> "UPM Unique"
>>> "UPM Labelcoat"

For envelope papers, in turn, the additional brand family name "UPM Mail" was made up, with products such as[839], "UPM Letter", "UPM Poste", and "UPM Print". For bag papers, sack papers, technical papers, and flexible packaging papers additional brand family names were also invented: "UPM BagPapers", "UPM SackPapers", "UPM TechPapers", and "UPM FlexPapers, respectively. These families included various product brands, some of which, such as "UPM SwanFine" and "UPM White" belonged to more than one of the families[840].

Focusing promotion of products sold via intermediaries on few sub-brands and sub-brand families [mP#7]

Interested in making up an umbrella brand family based on the corporate name, or brand, but having interests against eliminating or changing brand names to form brand families, UPM-Kymmene managers were also further interested in concentrating promotion efforts heavily on few sub-brands or sub-brand families for certain customer groups or end-uses. In general,

individual product brand names would not be promoted much but most promotion would be done at the levels of brand families, i.e. for products targeted at certain customer groups for certain end-uses together. For instance, the interests were strong, as publication paper products or product brands would be mostly promoted together, as well as products in "UPM DIGI" family, "UPM Mail" family, "UPM LABELPAPERS", "UPM BagPapers", "UPM SackPapers", "UPM TechPapers", "UPM FlexPapers", etc. families, respectively.[841]

In addition, when it came to products sold via merchants, where there were the interests in letting different merchants continue selling the same products with different brand names, only one or few the product brands for each product would be more heavily promoted by UPM-Kymmene – also on the websites, where they would be visible to e.g. investors and employees. Other brands would be given exclusively for some merchants to promote and sell or eliminated altogether. If given to a merchant to promote and sell, the corporation would put little or no resources to promoting the brand. For instance, with premium multi-coated woodfree fine paper sold as graphic paper to commercial printers via merchants, UPM-Kymmene promoted more heavily only "UPM Finesse" across markets but gave the brand "NopaCoat", with which the product was also promoted and sold, to a merchant chain. Similarly, with uncoated woodfree fine paper sold as graphic paper, UPM-Kymmene promoted more heavily only "UPM Fine", giving away e.g. "NopaSet". Besides, most of the production was actually sold to merchants for sales with private label brands. For instance, in Europe, the same "UPM Fine" product would be sold e.g. with the brand name "Edixion" by Antalis, "Rivoli" by DRiem, "Mephisto" by Stora Enso -owned Papyrus, "Profijt" by Proost&Brandt, and "Plusprint" by Scaldia. "UPM Finesse" would, in turn, be sold e.g. with the brand name "Novatech" by Antalis, "Maxigloss/Maxisatin" by Igepa, and "Originalcoat" by Proost&Brandt.[842]

With office papers sold to businesses, public institutions, and consumers, in turn, only the "Yes" and "Future" brand families would be promoted more heavily, as well as "UPM Office" later. Other brand names sold via some merchants would be promoted little or not at all or eliminated altogether.[843]

10.3 Management interests Othered by corporate branding: 1st and 2nd phases after negotiations

When it comes to the 1st and 2nd phases of corporate branding, some problems that emerged when the management practices of corporate branding or corresponding mobilization of entities had actually been planned and realized, i.e. those described under the heading "Dissidence", were "negotiated" away, as described above. However, even after the negotiations to the 1st and 2nd phases of corporate branding, such management interests remained which could be more or less suppressed by the management practices of corporate branding. I describe these "Othered" interests and how the management practices or corresponding mobilization of entities suppressed or acted against them in this section. Note that for confidentiality reasons, I do not to mention the specific corporations or identities of managers quoted in this section.

10.3.1 Communicating differentiation of products to customers

First, there was the interest in communicating to customers that particularly some products offered by the corporation were differentiated relative to competition. Especially salespeople and sales managers and division and mill marketing and line managers, who were accountable

for selling products to customers, were interested in this. It would be important to have customers pay attention to the fact that a certain product actually was differentiated, by making it stand out not only compared to the competitors' products but also relative to the more standard products within the product range of the corporation. This interest was particularly strong with respect to new products introduced by the corporation and products that were technically somewhat differentiated from those of competitors. In the case of new, differentiated products, it would be particularly important to make them stand out also relative to the more standard products within the product range of the corporation.

There was a concern that having products offered to a customer group or for an end use in brand families [mP#2,mP#6] would make communicating the differentiation level of certain products more difficult than it otherwise was. Products that were differentiated from competitors' products would not stand out in the communication of the product range of the corporation, in the sense of having distinctive brand names and a distinct style of product communication relative to the other products of the corporation. This also concerned new differentiated products to be introduced. The potential differentiation of a product relative to competition, as well as its newness, would be more difficult to communicate to customers.

Further, there was the concern that the umbrella brand family based on the corporate brand [mP#3,mP#5] would make differentiation even more difficult. If not only products promoted and sold to e.g. a certain end use, but all the products the corporation promoted and sold, with its own brands, to the same and different customer groups would have similar brand names or a similar style of product communication, the above difficulties would become further highlighted.

> **Marketing manager (division),** *retrospectively*:
> Having everything in one brand family, under one umbrella, ultimately the corporate brand umbrella, can make simple product differentiation more difficult. If the brand names are not different from each other and if all the product communication look the same, it's more difficult to get customers to pay attention to single products and the fact that they are different after all. Especially when you introduce new differentiated products, if there's little in the name and the style of the promotional materials that would immediately suggest and emphasize to the customer that something new and different is being offered, the customer is less likely to become curious and interested about the product.

10.3.2 Communicating differences in products sold to the same customers

Second, there was the interest in communicating differences in offerings sold to customers. Especially salespeople and sales managers and division and mill marketing and line managers, who were accountable for selling products to customers, were interested in this. Communicating differences in offerings sold to customers would be important in having the customers understand and remember that the products offered to them by the corporation were different in quality and characteristics – that the corporation offered many kinds of different products to them. It would also be important to prevent customers from confusing different products or their quality and characteristics with each other. Especially in the case of new products being introduced, it would be important that customers would pay attention to and perceive that there was a new, different product, relative to the existing ones, complementing the corporation's product range and did not confuse it with the existing ones.

There was a concern that having products offered to a customer group or for an end use in brand families [mP#2,mP#6] would make communicating the differences in the corporation's products to customers more difficult. Customers would not necessarily easily understand that the products of the corporation were different from each other and that it

offered many kinds of different products, as their names would be highly similar and/or product communication would have a highly similar visual style. On the other hand, customers would more easily confuse products or their quality and characteristics, or a customer could have difficulties in remembering which brand name was the one that he had used or with which brand name a certain product with certain technical characteristics was sold. Moreover, products that were new would not stand out in the communication of the product range of the corporation, in the sense of having distinctive brand names and a distinct style of product communication relative to the other products of the corporation.

Further, there was the concern that the umbrella brand family based on the corporate brand [mP#3,mP#5] would make differentiation even more difficult. If not only products sold to a certain customer group or for a certain end-use, but all the products sold by the corporation to the same and different customer groups with its own brands had similar brand names or similar styles of product communication, the above difficulties would become further highlighted.

> **Marketing manager (division),** *retrospectively*:
> It may be that the other products should not have been put in that brand family. There started to be too many products in the family. You mustn't confuse the customer, the buyer. If you have 100 products with the same brand family name, you erode the brand, make it less meaningful... We should have been more careful with the fact that any characteristics that customers associated with the first product of the family would largely also hold with the others...
> We should have had more communalities with the products in the family. For instance, one thing in woodfree fine paper is that it won't get yellowish. The first product we had in the family was a woodfree fine paper. Then later, some customers complained to me that a product with the same brand got yellowish. But actually, it was another product sold with the same brand family name, which was not woodfree but contained mechanical pulp...

10.3.3 Decreasing vulnerability to criticism and scandals around the corporation

Third, there was interest, especially among salespeople and sales managers and division and mill marketing and line managers, in decreasing the vulnerability to scandals related to e.g. environmental or social responsibility issues. This concerned particularly products also sold to consumers, such as office papers. In case there emerged strong public criticism or scandals around the corporation due to e.g. claims of it acting in environmentally or socially irresponsible ways – even demands for boycotts – the product sales of the corporation would be less affected if the end-customers were less aware of which corporation produced the paper offered to or bought by them.

There was a concern over the fact that having products the corporation sold with its own brands particularly in the umbrella brand family based on the corporate brand [mP#3,mP#5] would make every customer aware of the corporate name. In case of public criticism or scandals around the corporation and its name, the customers would immediately make the association of this corporation being the producer of the products offered to or bought by them. They could immediately decrease or stop buying these products. If the corporate name was not part of the brand name or not even visible in the wrapping and packaging, the negative impact on sales would be less likely or at least less severe.

> **Line manager (division),** *retrospectively*:
> If people go and do a search in Google for our corporate name and mainly find pages related to environmental criticism by, for instance, environmental organizations or if they get to hear in other media about some scandals, it may be better to have brands not bear a clear association to the corporate name. If you have the connection, your product sales, for

instance, in products you sell to consumers, will be immediately affected if new criticisms and scandals emerge.

Corporate communications manager, *retrospectively*:
In putting the corporate brand on the products that are going to more consumer-like customers, such as office papers, there's the clear problem that if some scandals around the corporation emerge, the negative effect trickles straight through to sales. The products are readily associated with the corporation. And in this industry, where we have had these environmental organizations bringing up issues powerfully in the media and to the public, this risk is significant.

10.3.4 Avoiding problems stemming from corporate name changes in case of mergers and acquisitions

Fourth, there was interest, especially among salespeople and sales managers and division and mill marketing and line managers, in not letting the frequent and anticipated mergers and acquisitions affect the sales and the strong brands of the corporation. Here, there was a concern about the fact that the brand names of products the corporation sold with its own brands in the umbrella brand family based on the corporate brand [mP#3,mP#5] would have to be changed if the corporate name was changed in the case of the corporation merging with or being acquired by another corporation. The potentially strong brands, and brand names to which customers would be accustomed to, would have to be eliminated and changed. This would make selling difficult and result in extensive costs of changing the names and promoting them.

Marketing manager (division), *retrospectively*:
Since the mergers and acquisitions started to be frequent in the '80s and '90s, we were seriously considering that when the owners of the company would change, the corporate name can change as well. We saw that there were mergers and acquisitions coming. We considered that a product brand can live through a merger or acquisition but if it its associated to the corporate name it wouldn't have the same value or any value at all if it had to be changed. That's one reason why we would be against having the corporate name in the product brands and the corporate brand umbrella brand.

Consultant, *retrospectively*:
As consultants, we also had to give our opinion on whether to put the corporate name before the product brand names or to have some other name there. We did recommend that the corporate name should not be put there. We had the argumentation that as in the industry, there were lots of mergers and acquisitions... We considered that if they put a lot of effort into launching the products with the corporate name, they take quite a risk. If they build these brands for some years and then have to change them because the corporate name changes, all that work would have been done in vain. That's why we considered it better not to have the corporate name there.

10.3.5 Making customers' repeat purchases simple

Fifth, there was interest, especially among salespeople and sales managers and division and mill marketing and line managers, who were accountable for selling products to customers, in making customers' purchases of the corporation's products always as simple as possible. Particularly important in this was retaining the brand names that customers were accustomed to ordering through time. For a certain end-use or need of theirs, customers could always order an appropriate product by simply making an order with the certain product name they had been used to ordering with.

There was a concern that having products in brand families [mP#1,mP#2], eventually in families based on the umbrella of corporate name [mP#3,mP#5], and the required changes in brand names would make customers' purchases of the corporation's products complicated.

Some sales could be missed, particularly in sales via intermediaries, as the customers would not find or be able to make orders with the product names they were accustomed to.

> **CEO**, *retrospectively*:
> For buyers and customers who had for years bought paper from us, for them the brand names are important. We have to cherish them so that the customers don't suddenly start to wonder where their product has vanished to. "I've always wanted to print on this paper and this paper is essential for our printing machine. Where the hell has it vanished to?" – if you go and change the product name suddenly so that its roots are cut... The roots must not be cut, should not have been. Customers have adjusted their printing machines, they need the same products and want to order them simply with the same names.

10.3.6 Retaining local identification of employees

Fifth, there was some management interest in retaining the identification of employees with the local mills and units they were working for. This local identification would be important for their work motivation and, hence, their effectiveness and efficiency. Moreover, it would contribute to a certain degree of healthy competition across e.g. different mills, with respect to production efficiency and innovations.

There was a concern that changing the names and visual identities of the various units, such as mills or daughter companies, to have them operate under the corporate name and identity [mP#4] would make the employees of these units lose part of their local identification. They could even end up being bitter towards the corporation or having some kind of identity crisis, which could last for some time. This could further reduce the effectiveness and efficiency of their work for the corporation.

> **Corporate communications manager**, *retrospectively*:
> Employees are usually very fond of the names of their employer companies or units. If, for instance, after an acquisition you completely kill the name and its use, the employee can feel quite insulted. They lose part of their identity. You can integrate the company to your own and draw new lines there, combining the good aspects of that company and yours, even without taking away all of its identity symbols and stuff...

There was also a concern, particularly among the mill managers, that changing the brand names of the products [mP#1,mP#2,mP#3] would similarly make employees of the mills lose part of their local identification, based on their having produced for years or decades a certain product with a certain name in tens or hundreds of tons per year.

> **Corporate marketing/communications manager**, *retrospectively*:
> If the corporation has about 70 brands, it may seem that they are just product names, little things, that they do not make a difference to anyone. But each of these product names can have huge production volumes behind them. Each can be an enormous business, particularly for a single mill. And then, if a mill is making for instance 3 product brands, it is the people at the mill who make it. For them, they are the most important brands in the world. The people can feel quite bad if changes to the brand names are just dictated from the corporate level. And these kinds of things can increase friction against everything that comes from the corporate level for a longer time.

10.3.7 Maintaining (sales) alliances with other corporations

Sixth, there was interest in maintaining alliances with other corporations in relation to core businesses. Having another corporation in the alliance could serve various interests. For instance, Metsä-Serla had an alliance based mainly on a common sales organization with Myllykoski. This alliance would be fairly important e.g. for the ability to offer large customers a wide range of paper products and large volume supply reliability and for gaining market and pricing power.

If the units operating in alliance with another corporation were to be made to operate under the corporate name and identity [mP#4], the alliance would most likely have to be broken down. For instance, Metsä-Serla's willingness to have the sales organization operate under its corporate identity was one reason for the dissolution of its alliance with Myllykoski in sales, Forest Alliance, and later largely also in the ownership of production units. At the same time, for instance, the product range offered to customers became narrower and some of the back-up production capacity in the form multiple mills was lost[844].

> **Top manager,** *retrospectively***:**
> Having a sales alliance or a sales network operate under the identity of Forest Alliance would not suit the idea of corporate branding very well. We wanted to have "M-Real" there, too. The name was first changed into "M-Real Alliance". But soon the alliance was given up on. We were quite a big player in the market already but, of course, we still lost some of the strength we had had from selling Myllykoski's products and ours jointly. The wide product range, the market power, etc.

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[844] Holopainen, Jukka (2003), "Näkemiin Alliance, tervetuloa Realnet", *M-Real Insight,* 1, pp. 26–27.

11 Third phase of corporate branding

11.1 Management practices of corporate branding [mP′s]: 3rd phase

11.1.1 Defining values (identity) and slogans for the corporate brand [mP#8]

First, in the third phase of corporate branding, different managers were interested in defining specific values (identity) for the corporate brand, or corporate brand image, or corporate image. Also, they were interested in defining slogans for the corporate brand. The values would be taken as target perceptions which would be communicated, perceptions that the external stakeholders of the corporation, at least customers and investors, should have about the corporation and its ways of working. They would also be taken as objectives concerning the ways of working and thinking of the employees of the corporation. The slogans could summarize one or some of the most important values in a few words. They would further emphasize these values as target perceptions and objectives concerning the ways of working and thinking of the employees.

The values and the slogans would be defined among a group of managers as a project. Particularly top and upper management remaining as managers in the corporation after mergers and acquisitions would participate in the definition work, by being part of work teams gathering together regularly for some months or by being interviewed. Corporate communications and marketing managers would be especially active in facilitating the process. Also external consultants could be involved. Moreover, some external stakeholders, mainly customers and investors, would be interviewed and surveyed.

11.1.2 Communicating to and training employees about the defined corporate brand values and slogans [mP#9]

Second, in the third phase of corporate branding, different managers were interested in communicating the defined values widely to the employees of the corporation, after the definition of those values had been done. They would be trained to adopt the values as guiding their everyday ways of working and thinking and about the importance of this for the pursued image and reputation that the corporation was intended to have among e.g. customers and investors and, hence, for the success of the corporation.

The communication and training to employees would be done in special introduction events in the various units of the corporation and by distributing e.g. leaflets about the values and their significance to employees. Also smaller workshops could be arranged for training.

11.1.3 Introducing the corporate brand values with refined corporate name and visual identity [mP#10]

Third, in the third phase of corporate branding, different managers were interested in introducing a refined or changed corporate name and visual identity for the corporation at the time of introducing new brand values to employees and externally. The existing name and visual identity would be altered a little or changed altogether. The new name and unified visual style would be quite strictly taken into use in practically all the communication materials of the corporation, such as in financial reports, brochures, company magazines, advertisements, exhibition department furniture, signs, flags, stationery, visiting cards, transparencies, and vehicles, as well as in most product communications.

11.1.4 Continuously communicating about and according to the corporate brand values to employees and externally; using value feedback systems [mP#11]

Fourth, in the third phase of corporate branding, different managers were interested in continuously communicating the corporation's defined brand values and how they would be guiding its ways of working and thinking and about things that would demonstrate that it indeed had these values guiding it. This communication would be done both towards external stakeholders, particularly customers and investors, and towards the employees of the corporation, with external and internal communications materials, such as company magazines, press releases, company presentations, advertisements, leaflets, employee magazines, and training materials.

Moreover, external stakeholders, especially customers and investors, would occasionally be asked about how they perceived the corporation and its ways of working and whether they perceived them as according with the defined values. Employees would also be asked about how they viewed the corporation's and their own ways of working and thinking and whether they perceived them to accord with the defined values. These measurements would motivate the employees to further have the values guide their working and thinking.

11.2 Translations of management interests to management practices of corporate branding [mI′s→mP′s]: 3rd phase

Spokespersons for corporate branding. Particularly interested in the management practices of corporate branding were, again, the corporate marketing or marketing communications managers of the P&P corporations. Again, they considered "branding", as something essentially belonging to the domain of marketing and "corporate branding" as belonging to the domain of marketing at the corporate level – their own domain.

Also the corporate communications managers were particularly interested, again. Naturally, they considered "corporate communication" as their main domain and had, further, for a longer time been interested in "corporate image" and "corporate identity" and considered them as essentially belonging to their field of expertise. Thus, also "corporate brand image" and "corporate brand identity" and their communication would belong to their domain: as in defining an identity values for the corporate brand [mP#8] and in continuously

communicating about and according to the corporate brand identity values [mP#11]. The corporate communications managers could also consider the management practices of corporate branding as something which could partly be their responsibilities – enlarging their responsibilities. After all, the current responsibilities were quite few and traditional still at the end of the 1990s. The corporate communications managers concentrated, first and foremost, on generating financial information and reports to investors. Second, they concentrated, particularly since the 1990s, on generating environmental information and reports to different stakeholders. Third, they concentrated on taking care of media relations, at least responding to questions from reporters. Fourth, they concentrated, particularly since the early and mid 1990s, on setting some guidelines for the visual identity of different kinds of materials produced in the different units of the corporation. And fifth, they concentrated on the production of e.g. company magazines and presentations about the corporation, as well as the planning of some sponsorships.

> **Marketing manager,** *retrospectively*:
> I guess when there started to be talks about defining what our corporate brand actually stood for, the corporate communications manager started to be quite interested also. And he had some talks with the CEO, I think…
>
> **CEO,** *retrospectively*:
> Besides the corporate marketing, this corporate branding and definition of identity etc. have been led by corporate communications…
> This would further add to the importance of corporate communications. Traditionally they had been mostly focusing on financial communications, talking to media, publishing company magazines… Also on visual guidelines, so that stationery and communication materials would look the same…And environmental communications, of course, in the 1990s particularly.
>
> **Human resources manager,** *retrospectively:*
> There were these corporate marketing and communications people who were first interested in this kind of corporate branding. Being active in convincing the top management, too… Yes, they were very enthusiastic…

The corporate communications and marketing managers increasingly emphasized the benefits of corporate branding to other managers, including top managers, and how the management practices could serve various interests of different managers. They did this by e.g. discussions, workshops and memos, often supporting their arguments with branding literature and the theories and views of consultants.

11.2.1 Committing management to corporate strategies and goals [mI#17(m&a)➔mP′s]

Defining values (identity) and slogans for the corporate brand [mI#17(m&a)➔mP#8]

After the independence of mills had been reduced by the early 2000s and particularly after mergers and acquisitions around the year 2000, the CEOs, line managers (of divisions), marketing managers (of divisions), and human resources managers were interested in reducing managers' change resistance and suboptimization behaviour and having the managers commit to the new strategies and goals of the corporation [mI#17(m&a)]. If the various managers were personally involved in pondering the formulation of the strategies and goals for the corporation, they could feel personally more committed to them, find them worth struggling for, and be engaged in their management work accordingly.

Defining values and identity for the corporate brand would be a translation of this interest in committing managers to corporate strategies and goals [mI#17(m&a)➔mP#8].

Defining specific values that would be taken as target perceptions that external stakeholders of the corporation should have about the corporation and its ways of working and as objectives concerning the ways of working and thinking of the employees of the corporation, would in itself be about formulating important goals for the corporation. Making managers personally involved in formulating them would make them more committed to them. On the other hand, defining specific values that would be taken as goals, would inseparably be related to the wider strategies and goals of the corporation. Thus, making managers personally involved in formulating them would make them more committed to the wider strategies and goals of the corporation, too.

> **UPM-Kymmene line manager (division, executive),** *retrospectively*:
> Also our CEO, particularly after the acquisition of Haindl was interested in this corporate branding and defining the brand identity and values. After the acquisition, it would be important to agree among the management and make clear what kind of corporation UPM-Kymmene wanted to be, in terms of the perceptions of, for instance, customers and investors but also in terms of, for instance, common strategies, goals, and the nature of corporate control. Because it was also a question of creating one corporate culture. Defining the brand identity among the management would help in this and also support and verify the commitment to overall strategies, goals, visions, missions...
> It was thus also about the desire to have the management of different units under one roof, to have them commit to the same corporate goals and strategies. And about supporting the other work of defining strategies, purpose and vision statements, and key success factors for the whole corporation etc...
> The decision to make the corporate brand stronger and define it reflects the way the whole corporation would be managed internally...

> **Consultant for UPM-Kymmene,** *retrospectively*:
> The definition work itself was also important for the managers to further commit themselves and get verification for the strategy and goals after a large acquisition. It was about the corporation's image among customers, investors, etc., but also in a more general sense. As the managers would participate in pondering and discussing thoroughly the issues and be part of formulating the goals, they would be more committed to them.

> **UPM-Kymmene corporate marketing/communications manager,** *retrospectively*:
> Not much new would be found by defining the values and brand identity. But what was important was the further pondering and thinking things through. Strategies and goals – are they the right ones, are we concentrating on the right things... The thinking in the management would go towards a more unified direction, towards more commitment.

> **Enso/Stora Enso line manager (division),** *retrospectively*:
> Formulating and defining the values for the corporation among the upper management, as well as the mission and vision, were seen as very important after the STORA merger. A value survey among employees was important, too, of course. This was done at the time when the merger process was underway.
> At that time when the corporate values were defined after the STORA merger, we talked about them as being the basis of our common culture. Later, in the early 2000s, were also came to think of them as values of our corporate brand.

> **Metsä-Serla/M-Real corporate communications manager,** *retrospectively*:
> After the acquisitions, particularly after that of Modo, there was this need to create one corporate culture. One aspect of this was committing managers at the top level, from different units, to common strategies and ways of working. And at the same, to objectives concerning how the corporation should be perceived by e.g. customers. The definition work concerning the values of the corporate brand served this end. The frequent workshops among the corporate marketing and communications management and division marketing and sales management, the discussions with and interviews of upper and top managers. The joint working, pondering, discussing, brainstorming.

Moreover, defining *slogans* for the corporate brand would also be a translation of the interest in committing managers to corporate strategies and goals. Defining slogans to summarize one or some of the most important values and further emphasize these values as target perceptions and objectives concerning the ways of working and thinking of the employees,

would, again, in itself be about formulating important goals for the corporation. On the other hand, defining value-summarizing slogans would, again, be inseparably related to the wider strategies and goals of the corporation. Thus, having managers personally involved in formulating them could make them more committed to the wider strategies and goals of the corporation as well.

> **UPM-Kymmene line manager (division, executive),** *retrospectively*:
> The process of defining the tagline, or slogan, was important in itself. It again made us think about priorities in overall strategies.

> **Metsä-Serla/M-Real corporate marketing/communications manager,** *retrospectively*:
> Finding a slogan could be difficult among the management. But it could also move the management towards greater commitment to and agreement on the general goals of the corporation, through discussion.

11.2.2 Having employees identify themselves with and be proud of the corporation [mI#18(m&a)→mP′s]

Communicating to and training employees about the defined corporate brand values and slogans [mI#18(m&a)→mP#9]

After the independence of the mills had been reduced by the early 2000s and after the acquisitions and mergers around the year 2000, the CEOs, human resources managers, and line managers (of divisions) were interested in reducing suboptimization below the corporate level and change resistance with respect to e.g. corporate strategies and goals, management styles, and ways of working, and in having employees identify themselves with and be proud of the corporation, particularly [mI#18(m&a)]. Communicating to and training employees about the values defined among the managers would be a translation of this interest [mI#18(m&a)→mP#9]. As the employees would be told and shown what kinds of things they valued and should value and what kinds of things they let and should let guide their working and thinking as employees of the corporation – of the one corporation, no matter which unit they came from – they would identify themselves more with and be prouder of the corporation as their employer. There would be more identification with and pride for the corporation and relatively less with and of the individual units or previously independent companies that the employees worked or had worked for.

> **Metsä-Serla/M-Real corporate marketing/communications manager,** *retrospectively*:
> The defined brand values were presented to all the employees in impressive introduction events in the various units. Workshops were also arranged, where the changes and values and things and what they meant for ways of working were pondered. This, of course, was also about a start for building a more common culture and ways of working and thinking across the corporations. About having employees from different units identify themselves more with the corporation.

> **UPM-Kymmene corporate marketing/communications manager,** *retrospectively*:
> Introducing some brand values, or identity, to employees with commitment from our top management was, again, one way to create a more common culture and more identification.

Introducing the corporate brand values with a refined corporate name and visual identity [mI#18(m&a)→mP#10]

In having the units operate under one corporate name and visual identity (2nd phase, mP#4) of the owning corporation, there was the problem that the employees in the units whose name and visual identity would be changed would potentially come to identify themselves even less with the corporation after the change (see also section 10.3.6). This would be due to their feeling bad for considering that the identity of their unit was being impudently

eliminated and replaced by that of other units. The problem was particularly evident with identity changes that would be made to acquired or merged companies, especially with international mergers or acquisitions.

Thus, introducing a refined corporate name and visual identity for the whole corporation could serve the interest in having the employees identify themselves with and be proud of the corporation [ml#18(m&a)→mP#10]. As the name of the whole corporation would be refined or changed, as well as the visual identity, the employees of the units would consider less that the identity of their unit was being impudently and unfairly eliminated and replaced. The employees could better identify with and be more proud of the corporation through the renewed name and visual identity.

> **Metsä-Serla/M-Real deputy CEO**, *retrospectively*:
> At latest after the Modo acquisition we wanted to control the corporation strictly from the corporate level, have a European company, do away with much of the local power of subsidiaries and mills. So, we were interested in having employees of all the units and acquired companies to be able to identify with the corporation equally to eliminate change resistance and so on. In that sense, forcing all the units to adopt the name and identity of Metsä-Serla would not seem reasonable. For instance, Modo had about as many employees as Metsä-Serla. A new corporate name and visual identity altogether would help in creating a new common culture and identification of all.

Continuously communicating about and according to the corporate brand values employees and externally; using value feedback systems [ml#18(m&a)→mP#11]

A further translation of the interest in having employees identify themselves with and be proud of the corporation was continuously communicating about and according to the values to employees [ml#18(m&a)→mP#11]. The employees would continuously and repeatedly be told and shown what kinds of things they valued and should value and what kinds of things they let and should let guide their working and thinking as employees of the corporation. They would also be demonstrated and given examples in the communication of real employee cases demonstrating what working and thinking guided by the values could be like. This communication would make the employees identify themselves more with and be prouder of the corporation as their employer. The communication could be done via employee magazines, internal presentations, training materials, and leaflets. But external communication about the same issues would also have the same effect on the employees – the employees would also encounter external company magazines and reports, advertisements etc.

> **UPM-Kymmene line manager (division, executive)**, *retrospectively*:
> Repeating the defined identity and values continuously in communication would indeed have some effect of strengthening the identity of the corporation and the identification of the employees. It could be done through internal communication materials, magazines, intranets, training events and materials. But also via materials not targeted primarily to employees, such as customer magazines, advertisements, annual reports, internet, and so on. The employees would often read also them.

> **Enso/Stora Enso line manager (division)/ human resources manager**, *retrospectively*:
> The values would not make a difference in terms of increasing making the corporate identity stronger, if they were not communicated continuously to employees and managers. To new and old employees. They would be very actively communicated internally…

11.2.3 Having employees adopt a way of working with initiative and a proactive customer-helping attitude AND Emphasizing to customers the corporation's offering of solution help rather than that of products [mI#10, mI#11→mP′S]

Defining values (identity) and slogans for the corporate brand [mI#10,mI#11→mP#8]

Interested in differentiating by offering customers help in specifying their paper- and board-related business needs and problems in more detail and in finding optimal product and service solutions to satisfy the needs and solve the problems, the marketing managers, sales managers, human resources managers, CEOs, and line managers were, by the 2000s, increasingly interested in having employees adopt a way of working with initiative and a proactive attitude in all interaction with potential and existing customers [mI#10]. On the other hand, the managers were increasingly interested in communicating and emphasizing this offering of solution help to customers [mI#11]. A simultaneous translation of both these interests would be the defining of values for the corporate brand [mI#10,mI#11→mP#8].

On the one hand, since the values would be taken as objectives concerning the ways of working and thinking for the employees of the corporation, defining one or some values to be related to initiative and a proactive customer-helping attitude would, necessarily and by definition, make it an objective concerning the ways of working and thinking for the employees. On the other hand, since the values would be taken as target perceptions which external stakeholders, especially customers, should have about the corporation and its ways of working, defining one or some values to be related to initiative and a proactive customer-helping attitude and none of the values to be directly related to products emphasized the offering of solution help instead of products to customers.

> **UPM-Kymmene line manager (division, executive),** *retrospectively*:
> We already had in our internal values – values which attempted to primarily define the way we, inside the company, should interact with each other – "initiative" as one value. These values were those that had been defined already after the merger of UPM and Kymmene. Now in the corporate branding and identity definition, after the Haindl acquisition, this would, in a sense, transform more into a value guiding our behaviour towards customers as well. There would also be the idea of striving for proactiveness – eventually "continuous improvement" – particularly in helping customers. Or in "treating customers' problems as our own", as we eventually defined it. And "taking the lead" in this. On a very practical level, in the day-to-day work of our employees with customers. Attitude for employees to adopt more...

> **UPM-Kymmene line manager (division, executive),** *retrospectively*:
> In this corporate branding and brand definition, we saw that this would be a system with many links. On the one hand, for instance this continuous improvement in treating customers' problems as our own would have to be made into an attitude and a way of working of employees and salespeople, and, on the other, communicated directly through communication, materials, presentations, etc. Having it as a value in the brand identity would call for both.

> **Metsä-Serla/M-Real deputy CEO,** *retrospectively*:
> Many of the values initially defined for the corporate brand included this kind of strong attitude of proactiveness and being creative in helping our customers which everyone in the company should adopt. There was, of course, the idea that if something like this would be defined as a value, employees would adopt, at least, some more of that attitude in their every-day work, more than before...
> But we also understood that equally importantly, our offering being more about proactively helping customers to solve paper-related problems and improving their own products would

have to be clearly communicated externally, particularly to customers... Having it there in the values would do this, as we would have our communication speak for the values.

Enso/Stora Enso corporate communications manager, *retrospectively*:
We would not want to just sell products, but also services and creating ways to find and solve customers' problems with the products and services. This would be reflected in our values, brand values, and emphasized in all our communication...
But it would also be important to introduce the idea more strongly into the ways of thinking and working of our employees...

Moreover, the definition of *slogans* for the corporate brand would also be a translation of the interests in having employees adopt a way of working with initiative and a proactive customer-helping attitude and in emphasizing to customers the corporation's offering of solution help rather than that of products. First, since the slogans would summarize some of the most important values with regard to ways of thinking and working, defining a slogan related to the above value of initiative and a proactive customer-helping attitude would further make employees realize the importance of this attitude in thinking and working. Second, since the slogans would summarize some of the most important values with regard to external stakeholders' target perceptions, defining a slogan related to the value of a customer-helping attitude and not to products would emphasize the offering of solution help instead of products to customers.

UPM-Kymmene corporate marketing/communications manager, *retrospectively*:
The defined tagline, or slogan would crystallize the main values of the corporate brand to employees. This would be important. The employees could strengthen each other's drive and attitude towards customers and other stakeholders with it. Eventually it became: "We lead We learn"...
But of course, the tagline could also be used in direct communication to customers to emphasize the drive to learn about their special problems and the offering of better and better help for their problems...

Consultant for UPM-Kymmene, *retrospectively*:
The tagline "We lead we learn" would further emphasize the importance of the attitude of open initiative to achieve and drive for continuous improvement, particularly in work and interaction with customers – the customer focus would be the basic pillar.

Metsä-Serla/M-Real corporate marketing/communications manager, *retrospectively*:
The slogans, which came to be such like "Make it real" and "Passionate about paper and people", would emphasize the most important things in the values of the corporate brand to employees. The proactive attitude to help customers find solutions to their problems and to improve their own business and products with paper products and services. To change thinking towards helping customers realize the potential of paper...
The slogans could also be used to emphasize directly to customers our offering of helping to improve customers' products with our paper solutions, not mere product sales...

Enso/Stora Enso corporate communications manager (executive), *retrospectively*:
First we had wanted to communicate to customers how we could solve their varied problems and do that with our products. "What paper can do". But later, we wanted to emphasize even more that the essential part would not be the product, but rather the solving of problems. The slogan would be transformed even more to the direction of employees. "Can do" would and should be our attitude. Towards all stakeholders, particularly to customers of course.

Communicating to and training employees about the defined corporate brand values and slogans [mI#10➔mP#9]

Communicating the defined values and slogans to employees and training them about the values and slogans intensively after their definition would also be a translation of the interest in having employees adopt a way of working with initiative and a proactive customer-helping attitude [mI#10➔mP#9]. The employees would, e.g. in introduction events and presentations, in workshops, and with leaflets, be told that they already had but should change to have even

more initiative and proactive customer-helping attitude and that they already let but should change to let this attitude even more guide their working and thinking. This would make them start to work and think slightly more in this way – put a little extra effort into pursuing these ideals. Also emphasizing the slogans would contribute here. And so would emphasizing how important the change, which was about to happen, towards strongly adopting the attitude would be in making customers start to perceive the corporation as the best provider of help for their needs and, hence, to the success of the corporation.

> **Metsä-Serla/M-Real corporate marketing/communications manager,** *retrospectively***:**
> When the defined brand values were presented to employees in launch events in various units, of course the proactive attitude towards customers was emphasized a lot. This would be an attempt at some kind of a start for a change in the ways of working of employees.

> **Enso/Stora Enso corporate communications manager,** *retrospectively***:**
> Without the communication and training, the values of the corporate brand would naturally not be of much use among the majority of employees. And, for instance, we wanted this "Can do" attitude to be adopted by all employees.

> **UPM-Kymmene corporate marketing/communications manager,** *retrospectively***:**
> The introduction of the values and tagline was carefully prepared: presentation events in various units, leaflets, etc. The way this introduction happened would make a difference in strengthening the attitude of employees and making them think about it.

Introducing the corporate brand values with a refined corporate name and visual identity [mI#10, mI#11→mP#10]

Refining the corporate name and visual identity at the same time when communicating to and training employees about the defined values and slogans after their definition would be a further translation of the interest in having employees adopt a way of working with initiative and a proactive customer-helping attitude [mI#10→mP#10]. Communicating and introducing the refined or changed corporate name or visual identity simultaneously with introducing the values of initiative and a proactive customer-helping attitude and with emphasizing the importance of the change to strongly adopt the attitude would further stress the importance of the change to employees. This would make the start of a change process towards adopting the attitude more effective and powerful.

> **UPM-Kymmene corporate communications manager,** *retrospectively***:**
> Our visual identity was considered a little old-fashioned and heavy and that was one thing speaking for changing it. But actually, we wanted to support the introduction of the corporate brand identity and values, particularly among employees, with the new visual identity. The visible change would support, for instance, the change towards adopting the attitude of continuous improvement in treating customers' problems...
> Also the decision to start using only "UPM" instead of "UPM-Kymmene", particularly in customer contacts, was related to signalling the change and the willingness to change, albeit that there were also some other aspects speaking for this...

> **Metsä-Serla/M-Real deputy CEO,** *retrospectively***:**
> Changing the name of the corporation was a very important part in the serious start of corporate branding... In communicating, for instance, to employees that further change was desired and needed towards everyone adopting the attitude of more proactively helping customers to find out their needs and helping them get the best paper-related solutions... Eventually, the name came to be "M-Real"...
> The new kind of visual identity, very distinctive and novel, would also support this change and the communication of the values.

On the other hand, refining the corporate name and visual identity simultaneously with introducing the defined brand values and slogans to customers would further serve the interest in emphasizing to customers the corporation's offering of solution help rather than that of products [mI#11→mP#10]. Presenting and introducing the refined or changed corporate name or visual identity at the same time with announcing and introducing the

values relating to initiative and a proactive customer-helping attitude, rather than to products, would catch the attention better than merely telling about and introducing the values. This would emphasize to the customers that the corporation was really attempting to reshape its offering.

> **UPM-Kymmene corporate marketing/communications manager,** *retrospectively***:**
> The whole new visual identity and the slight refinition of the corporate name would also emphasize to customers the change we wanted to make, that we wanted to more clearly communicate what we were and what we wanted to concentrate on in our offering.

> **Metsä-Serla/M-Real deputy CEO,** *retrospectively***:**
> Changing the name and visual identity radically and introducing them with the new brand idea and values would communicate to customers that we really wanted to learn about their business and start offering them these solutions rather than being only paper sellers.

Continuously communicating about and according to the corporate brand values employees and externally; using value feedback systems [mI#10,mI#11→mP#11]

Finally, continuously communicating about the fact that the corporation's defined brand values would be guiding its ways of working and thinking and about things that would demonstrate that it indeed had these values guiding was a further translation of the interests in having employees adopt a way of working with initiative and a proactive customer-helping attitude and in emphasizing to customers the corporation's offering of solution help rather than that of products [mI#10,mI#11→mP#11].

The employees would repeatedly be told that they already had but should have even more initiative and proactive customer-helping attitude and that they already let but should let this attitude guide even more their working and thinking. It would be emphasized that this was the only way to ensure that the customers would perceive the corporation as offering creative help in specifying their business problems and in solving them, essential for the success of the corporation. In the communication, the employees would also be given examples of real employee cases demonstrating what working and thinking guided by the attitude could be like.

The corporation holding such an attitude in great value would also be repeatedly communicated to customers. They would also be given examples, in the communication, of real cases demonstrating what working and thinking guided by the attitude in the corporation would be like.

To employees, the continuous communication could be done mainly via employee magazines, internal presentations, training materials, leaflets, and intranets. To customers, the continuous communication could be done mostly via company magazines, press releases, company presentations, advertisements, and leaflets. But the employees could also be communicated to via the latter channels. All this continuous communication would make the employees little by little to work and think more with initiative and a proactive customer-helping attitude. And the continuous communication would emphasize to customers the corporation's offering of help in specifying customers' paper- and board-related business problems in more detail and in finding optimal products and services to solve them. Further, this offering would be realized by the employees' working and thinking increasingly more with initiative and a proactive customer-helping attitude – to which the continuous communication to employees, in itself, would also contribute.

> **UPM-Kymmene line manager (division, executive),** *retrospectively***:**
> It will eventually shape the ways of working if we define, for instance, that we value initiative in helping customers solve their problems, treating them as our own, and that we value continuous improvement... If we communicate and repeat it all the time to employees through various channels – both internal and external – it will start to stick in their minds as a

way of thinking and working. It will be that simple, indeed. And this would build what customers perceive as our best offering to the same direction. As would, of course, our consistent communication about the offering.

Enso/Stora Enso corporate communications manager, *retrospectively*:
Continuously communicating and repeating the same thing, the same objective or value, for instance, a "Can do" attitude with customers, would have influence on employees. They would start to believe this, to some extent, and try to perform better and better in that regard…
Through the way of working of the employees, we could be able to offer our customers more than just technical products. This would be supported with the external and internal communication bringing up the same values.

Metsä-Serla/M-Real corporate marketing/communications manager, *retrospectively*:
Communicating and emphasizing continuously the brand value and the attitude of being proactive in helping customers to find their problems and to find solutions to them would be important, particularly when it came to customer service people. To have them adopt the attitude that would support the attempts to create the desired image for the corporate brand. So that, for instance, a salesman would better support the brand with his own way of working and talking to the customer. Communicating the importance of the right attitude would be important indeed…
On the other hand, direct communication about the brand value, or the offering, would support and would have to give the same message about the offering of solutions to customers. It would also motivate the customer service people to put more effort towards that same direction.

Furthermore, a further translation of particularly the interest in having employees adopt a way of working with initiative and a proactive customer-helping attitude could be the use of image and value feedback systems, i.e. by occasionally asking e.g. customers to assess how they perceived the corporation and its workings and whether they perceived them to accord with the idea of initiative and a proactive customer-helping attitude. Employees would also be asked to assess how they perceived the corporation's and their own ways of working and thinking and whether they perceived them as according with the attitude. Measurements like this would motivate the employees to further adopt the proactive customer-helping attitude more strongly, reminding them that the attitude, indeed, was important to adopt and its adoption would be rewarded.

UPM-Kymmene corporate communications manager, *retrospectively*:
To further make the employees around the corporation change their ways of working, for instance in terms of continuous improvement in proactively treating customers' problems, we were interested in introducing a kind of corporate brand tracking. In the tracking, external stakeholder groups would be extensively asked, every one or two or three years, to assess how they perceived the corporation and to give feedback on our ways of working. This feedback would then be distributed to the people responsible for the interaction with those stakeholder groups. For instance, division management and the employees beneath them would be interested in getting the feedback to further strengthen the customer-oriented attitude. After all, measuring these things signals to everyone that they are important, which in itself guides the employees accordingly.

Metsä-Serla/M-Real deputy CEO, *retrospectively*:
We were interested in introducing a survey for measuring the image or reputation of our brand or our corporation among various stakeholders. It would be redone every now and then… Measuring, for instance, how customers perceived us and our work in terms of initiative and proactiveness would, of course, make employees try at least slightly harder…

11.2.4 Having employees adopt a way of working with environmentally and socially responsible attitude AND Communicating an image of the corporation's behaviour as environmentally and socially responsible [mI#14,mI#13→mP's]

Defining values (identity) and slogans for the corporate brand [mI#14,mI#13→mP#8]

Similarly to how managers were interested in having employees adopt a way of working with initiative and a proactive attitude and in communicating and emphasizing customers the corporation's offering of solution help, environmental, corporate responsibility, human resources, corporate communications, line, marketing, sales, development, procurement, financial, and investor relations managers, as well as the CEOs, were, by end of the 1990s, interested in having employees adopt a way of working with an environmentally and socially responsible attitude [mI#14] and in communicating an image of the corporation's behaviour as environmentally and socially responsible [mI#13]. Defining values for the corporate brand could also be a translation of both these latter interests [mI#14,mI#13→mP#8]. On the one hand, since the values would be taken as objectives concerning the ways of working and thinking for the employees, defining one or some values to be related to environmentally and socially responsible attitude would, by definition, make it an objective concerning the ways of working and thinking for the employees. On the other hand, since the values would be taken as target perceptions which would be communicated, defining one or some values to be related to environmentally and socially responsible attitude would be consistent with communicating the image of the corporation's behaviour as environmentally and socially responsible.

> **Enso/Stora Enso line manager (division, executive),** *retrospectively*:
> If you think about the ways of working… the heavy customer focus as a value, of course, but also the sustainable and responsible way of working for each employee, somehow that attitude should be present. To have everyone put a little extra effort there. To have as an objective that the employees would have the responsibility considerations guiding their work tomorrow slightly more than today. This is where having it as value would help…
> The same value could then also serve as something to be emphasized in communication to stakeholders outside the corporation as well.
>
> **UPM-Kymmene deputy CEO,** *retrospectively*:
> As one value for the corporate brand we would be interested in having the socially responsible attitude in all the work we do. Also outside the corporate brand definition process, we were already considering ways to make managers and employees have this attitude somehow stronger built into all their actions and starting to implement this. Then the responsibility attitude would almost be made into a very dominant value also in the corporate brand identity…
> Eventually, this continuous improvement in a more general sense and in, for instance, treating our customers' problems as our own, would perhaps become a more dominant value. But the attitude for responsible ways of working would be there strongly as well … And of course, communicating about the same thing, too.
>
> **Metsä-Serla/M-Real deputy CEO,** *retrospectively*:
> When defining the values for the corporate brand, we would also have the responsibility aspect there somehow. It would be increasingly important to communicate the image of responsible behaviour to customers, investors, special interest groups, etc – to communicate our culture to external stakeholders…
> This idea of responsibility would be another important mindset and a way of working – beside the customer-orientation and enthusiasm in finding out about customers' business problems and solving them, of course. The employees would also need to adopt the responsibility mindset more and more strongly due to the risk of all these environmental and social issues

and scandals. So, having it as a value in the corporate brand would bring its own small contribution there.

Communicating to and training employees about the defined corporate brand values and slogans [mI#14→mP#9]

Communicating the defined values and slogans to employees and training them about these values and slogans intensively after their definition would also be a translation of the interest in having employees adopt a way of working with an environmentally and socially responsible attitude [mI#14→mP#9]. Similarly as with the initiative and a proactive customer-helping attitude, the employees would, e.g. in value introduction events and presentations, in workshops, and with leaflets, be told that as employees of the corporation they already had, but should change to have even more environmentally and socially responsible attitude and that they already let but should change to let this attitude even more guide their working and thinking. This would also make them start to work and think a little more in this way – to make a little extra effort. Emphasizing how important the change towards strongly adopting these attitudes would also be to the success of the corporation would make employees adopt a little more of the attitude.

Introducing the corporate brand values with a refined corporate name and visual identity [mI#14,mI#13→mP#10]

Refining the corporate name and visual identity simultaneously with communicating to and training employees about the defined values and slogans after their definition would be a further translation of the interest in having employees adopt a way of working with environmentally and socially responsible attitude [mI#14→mP#10], again quite similarly as with the initiative and a proactive customer-helping attitude. Presenting and introducing the refined or changed corporate name or visual identity simultaneously with introducing the values related to the environmentally and socially responsible attitude and emphasizing the importance of the change to strongly adopt the attitude would further stress the importance of the change to employees.

On the other hand, refining the corporate name and visual identity simultaneously with introducing the defined brand values and slogans would be a further translation of the interest in communicating an image of the corporation's behaviour as environmentally and socially responsible [mI#13→mP#10]. Presenting and introducing the refined or changed corporate name or visual identity simultaneously with communicating and introducing the values relating to environmentally and socially responsible behaviour would catch the attention better than merely presenting and introducing the values. This would emphasize to external stakeholders that the corporation was really attempting to adopt more responsible ways of working.

Continuously communicating about and according to the corporate brand values employees and externally; using value feedback systems [mI#14,mI#13→mP#11]

Finally, continuously communicating about the fact that the corporation's defined brand values would be guiding its ways of working and thinking and about things that would demonstrate that it indeed had these values guiding was a further translation of the interests in having employees adopt a way of working with environmentally and socially responsible attitude and in communicating an image of the corporation's behaviour as environmentally and socially responsible [mI#14,mI#13→mP#11].

The employees would repeatedly be told that, as employees of the corporation, they already had but should have even more environmentally and socially responsible attitudes and that they already let but should let this attitude even more guide their working and thinking. It would be emphasized that this was the only way to ensure that the the corporation would gain an image of behaving in environmentally and socially responsible ways, essential for the success of the corporation. In the communication, the employees would also increasingly be told and given examples of what working and thinking guided by the attitude and according to current definitions of and criteria for environmental and social responsibility would be like, particularly when it came to definitions and criteria for which there would be no unequivocal measures.

External stakeholders would also be continuously communicated to about the corporation holding the environmentally and socially responsible attitude and behaviour in great value. Importantly, they would be told about such ways of working of the corporation which would accord to current definitions of and criteria for environmental and social responsibility, fairly honestly, openly, and transparently. The communication would also increasingly attempt to alter the definitions of and criteria for responsibility (see also p. 249, mI#13).

Again, the continuous communication to employees could be mainly done via employee magazines, internal presentations, training materials, leaflets, and intranets. To external stakeholders, the continuous communication could be done mostly via annual reports, environmental and social responsibility reports, websites, company magazines, press releases, company presentations, advertisements, and leaflets. But the employees could also be communicated to via the latter channels. All this continuous communication would make the employees little by little work and think more with environmentally and socially responsible attitudes. On the other hand, the continuous communication would communicate to external stakeholders an image of the corporation behaving in responsible ways. Further, this image would be communicated and realized by the employees working and thinking increasingly with environmentally and socially responsible attitude – to which the continuous communication to employees in itself would also contribute to.

> **UPM-Kymmene line manager (division, executive)**, *retrospectively*:
> Repeatedly communicating about and in line with the responsibility value slowly instills it more and more into the ways of working. It makes them consider more whether what they're doing would be perceived as responsible or irresponsible. The communication, if done in the right way according to the values, also directly strengthens the image of a responsible corporation to outsiders.

> **Enso/Stora Enso line manager (division, executive)**, *retrospectively*:
> When you have the value of, for instance, sustainable behaviour and social responsibility there on paper and you talk about it continuously, it's a good thing. It makes employees, every one, make a little extra effort in that regard. Of course, providing that most of it is already existing as a way of working and not as some utopia. The attitude of making extra effort can be sought with communicating the value, but it can be only, perhaps, 20 per cent there. 80 per cent has to already exist in the ways of thinking and working… Then you can also strongly communicate, to external stakeholders, the same attitude and value as important for our company.

> **Metsä-Serla/M-Real deputy CEO**, *retrospectively*:
> Having the responsibility, respect, and sustainable development there as part of the values and communicating it continually would help in making it an attitude, an integral part of everyday activities.

Furthermore, using image and value feedback systems would also be a translation of particularly having employees adopt a way of working with an environmentally and socially responsible attitude. Various external stakeholders would occasionally be asked to assess how

they perceived the corporation and its actions and whether they perceived them to accord with the environmentally and socially responsible attitude and behaviour. Employees would also be asked to assess how they perceived the corporation's behaviour and their own behaviour and whether they perceived it as environmentally and socially responsible. Measurements like this would motivate the employees to further adopt the attitude more strongly.

11.2.5 Signalling renewal to analysts and investors [mI#4→mP's]

Introducing the corporate brand values with a refined corporate name and visual identity [mI#4→mP#10]

By the early 2000s, CEOs, financial managers, corporate communications managers, and investor relations managers were interested in signalling renewal of the corporation and its strategies to investors and analysts [mI#4]. Introducing defined brand values with a refined corporate name and visual identity would be a translation of also this interest [mI#4→mP#10]. The managers would introduce the brand values to analysts and investors as new important objectives guiding the thinking and working in the corporation and its strategies. This would signal to investors and analysts that the managers were renewing the corporation and its strategies in a dynamic way, particularly to the extent that the values would be such that had not traditionally been rated highly important in the industry. Furthermore, by communicating and introducing a refined or changed corporate name or visual identity simultaneously with introducing the values, the managers could further stress the significance of the novelty of the new values and their coming to guide the corporation and its strategies. The refined corporate name and visual identity would be symbols for the change. This would further signal to investors and analysts that the managers were renewing the corporation, particularly after mergers and acquisitions.

> **Metsä-Serla/M-Real deputy CEO,** *retrospectively*:
> Changing the corporate name and identity after the Modo and Zanders acquisitions, and the new brand values and ideas, were also important in emphasizing to investors that the corporation was a new corporation with new strategies and ways of working. For instance, traditionally the industry had not been perceived as very customer-oriented and we tried to create an image of our corporation really trying to become concentrated on solving customers' problems in creative ways.

> **UPM-Kymmene corporate communications manager,** *retrospectively:*
> The brand identity and values, especially when introduced together with a whole new visual identity, would also tell investors about the corporation's innovativeness and capability to transform and renew itself, its strategies, and ways of working.

[Enso/Stora Enso]
Defining values (identity) and slogans for the corporate brand [mP#8]

Already during the time when Enso was merging with STORA in 1998, before the approval and realization of the merger, Enso managers became interested in defining values for the new corporation, among top and upper management and with the help of external consultants and employee and customer surveys.[845]

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[845] Interviews (with Ansaharju 22.4.2005);
Marsio 1999b.
Hill, Lennart (1999), "Näin kahdesta tulee yksi", *Stora Enso Global,* Maaliskuu, pp. 30–31.
Ansaharju, Aulis (2001), "Case 2 : Yrityskulttuurit – Stora Enso", in *Haltuunoton ja yhdistämisen haasteet – Integraatio yrityskaupassa,* Kaija Katariina Erikkilä, ed. Helsinki, Finland: WSOY.

A project team of five executives, originating from Enso and STORA and led by the deputy CEO, was formed during 1998 to start the work of defining values for the corporation. First, the team had a value and attitude survey conducted among employees to find out about prevailing ways of thinking and working and the differences in them, particularly across Finnish, Swedish, and German employees, which would be the main nationalities in the new corporation. An external consultant was used in conducting the survey. Next, approximately one hundred top managers from various units and functions were invited to ponder values for the corporation for one day. Suggestions for basic strategy, mission, and values for the corporation, outlined by the top managers, were also pondered and tested. 35 values were outlined, which the project team grouped under five headings. These headings were converted into a suggestion for Stora Enso values. The suggestion was tested in different units and, based on the feedback received, the values were further edited. In 1999, the edited values were accepted by the executive board and presented to the top 200 managers of the corporation, together with the mission, vision, and strategy of the corporation. The values, mission, and vision were printed on memo cards, which were given to the managers.[846] They came to be:

> **Mission:**
> > We promote communication and well-being of people by turning renewable fibre into paper, packaging and processed wood products.
> **Vision**: We will be the leading forest products company in the world.
> > We take the lead in developing the industry
> > Customers choose us for the value we create for them
> > We attract investors for the value we create
> > Our employees are proud to work with us
> > We are an attractive partner for our suppliers.
> **Values:**
> 1. Customer focus - We are the customers' first choice
> 2. Performance - We deliver results
> 3. Responsibility - We comply with principles of sustainable development
> 4. Emphasis on people - Motivated people create success
> 5. Focus on the future - We take the first step

The first value, "Customer focus", combined with the "Performance" and delivering results, with "Focus on the future", and with "Emphasis on people" and their motivation would be

846 Ibid.

847 Interviews (e.g. with Ansaharju 22.4.2005; Vainio 22.3.2005);
Anon. (f) (1999), "Walk the talk", *Stora Enso Global*, Heinäkuu, pp. 4–5.

848 Interviews (e.g. with Vainio 22.3.2005; Starck 14.10.2005).
Munter, Sami (2001b), "Storaensolainen osaaminen nparemmin esille konsernin viestinnässä", *Stora Enso Global*, Syyskuu, p. 13.
Starck, Eeva (2001), "Mainonta rakentaa yrityksen mainetta", *Stora Enso Global*, Marraskuu, pp. 36–37.
Stora Enso Annual Report 2001, p. 7; Stora Enso Annual Report 2002, p. 4; Stora Enso Annual Report 2002, Financials, p. 6;
Stora Enso Annual Report 2002, p. 9; Stora Enso Annual Report 2002, Financials, p. 11.

849 Interviews (e.g. with Vainio 22.3.2005; Starck 14.10.2005)_
Åkerman, Kjell (2002), "Kasvutavoitteista ei tingitä", *Stora Enso Global*, Marraskuu, pp. 10–11.
Engström-Dray, Eva (2004), "Brändi puhuttaa", *Staffin Stora Enso*, Tammikuu, p. 2.

850 Ibid.
Hårrskog, Christer (2000), "What paper can do" (editorial), *Stora Enso Global*, Toukokuu, p. 2.

851 Interviews (e.g. with Vainio 22.3.2005; Starck 14.10.2005);
Engström-Dray 2004.

852 Interviews (e.g. with Ansaharju 22.4.2005; Vainio 22.3.2005);
Anon. (f) 1999.

853 Interviews (e.g. with Starck 14.10.2005; Vainio 22.3.2005);
Engström-Dray 2004;
Dammert, Anna (2004c), "Täällä joutuu perimmäisten kysymysten ääreen", *Staffin Stora Enso*, Tammikuu, p. 17.
Dammert, Anna (2004a), "Erotu massasta!", *Staffin Stora Enso*, Tammikuu, p. 18.
Hill, Lennart (2004), "Varsin näppärää", *Staffin Stora Enso*, Tammikuu, p. 20.
Munter, Sami (2004a), "Innovaatiot ruokkivat bisnestä", *Staffin Stora Enso*, p. 21.

854 Interviews (e.g. with Ansaharju 22.4.2005; Vainio 22.3.2005);
Marsio, Riitta (1999a), "Johtajien käyttäytyminen erityisen tärkeää", *Stora Enso Global*, Heinäkuu, p. 6.
Engström-Dray 2004., Anon. (f) 1999.

855 Interviews (e.g. with Starck 14.10.2005; Vainio 22.3.2005);
Engström-Dray 2004; Dammert 2004a, 2004c; Hill 2004; Munter 2004a.

856 Interviews (e.g. with Haapsaari 20.4.2005);
Anon. (a) (2000), "Jukka Härmälä", Stora Enso Global, Joulukuu, pp. 4–5.

much about and call for initiative and a proactive customer-helping attitude among employees. On the other hand, "Responsibility" combined with "Emphasis on people" and their motivation would be much about and call for environmentally and socially responsible attitudes among employees.[847]

Most managers considered, at this stage, the defined values as values of the corporation, or of corporate culture, rather than of the corporate brand. However, particularly the corporate communications and marketing communications managers already had somewhat strong interests in defining values particularly for the corporate brand, as they considered the defined values not only to be taken as objectives concerning the ways of working and thinking inside the corporation, but also to be taken as target perceptions that external stakeholders of the corporation, especially customers and investors, should have about the corporation and its ways of working.[848]

> **Enso/Stora Enso corporate communications manager (executive)**, *retrospectively*:
> When the new visual identity of the corporate brand was presented on the executive board and the Board of Directors, there was discussion and consensus about the fact that even if we are from different countries and corporate cultures we will become more like one global corporation, with one corporate brand. These values would glue the corporation and the corporate brand together. One Director – Harald Einsmann, the CEO of Procter&Gamble Europe – even had it put in the minutes of the Board meeting. He exclaimed something like: "let's do everything for the corporate brand!"

Later, around 2002–2003, the idea that the defined corporate values should also be the values for the corporate brand was further adopted among top managers.[849] The same values were redefined and emphasized as values for the corporate brand. Moreover, the brand slogan defined after the merger ("What paper can do"[850]) was refined and directed more internally in the corporation, to employees, particularly to incorporate to a larger extent the idea of initiative and a customer-helping attitude. The slogan was refined by the managers as "Can do" – an attitude for the employees to adopt and external stakeholders to perceive in the corporation.[851]

> **Enso/Stora Enso corporate communications manager**, *retrospectively*:
> The slogan was refined to stress the importance of the customer-oriented attitude to employees. "Can do", in a way, replaced the original "What paper can do". This would, hopefully, further strengthen employees' attitudes of aspiring to always do more to help customers than they know to ask.

Communicating to and training employees about the defined corporate brand values and slogans [mP#9]

After the corporate values had originally been defined during the Enso-STORA merger, a "walk the talk" process had been initated by managers. Particularly, workshops of one day, in which every employee could participate in, had been arranged by the line managers. In the workshops, the employees had pondered what the values meant to them and to their own work and to their units' work – the emphasis being on changes. The employees had been given memo cards listing the values. Also other, extensive communication about the values had been done towards employees, directly via internal channels, and indirectly via external channels.[852]

When, around 2002–2003, the managers had further begun to emphasize the defined corporate values as essentially being also the corporate *brand* values and redefined the brand slogan to "Can do", the interests in communicating to and training employees about them became strong again. The interests were strong, as particularly in internal communications, heavier emphasis was put on explaining how important the ways of working and attitudes of

the employees were in creating the desired perceptions in external stakeholders' minds and, hence, in shaping the corporate brand image. About three hundred top managers, including line managers and communications and human resource managers and personnel, were distributed a training book, in 2003, about what corporate brand management, with the brand values, meant in Stora Enso. A leaflet containing the same issues and especially emphasizing the brand values and the brand slogan was distributed to all employees, between the pages of an employee magazine, in 22 languages. In the leaflets and other communication, the employees were also be given examples of real cases demonstrating what working and thinking guided by e.g. initiative and customer-helping attitude and environmentally and socially responsible attitude could be like.[853]

Continuously communicating about and according to the corporate brand values to employees and externally; using value feedback systems [mP#11]

The original values having been reintroduced as corporate brand values, Stora Enso managers became increasingly interested, in the early 2000s, in continuously communicating, with a strong emphasis, about the fact that the corporation's defined values would be guiding its ways of working and thinking, as well as about things that would demonstrate that it indeed had these values guiding. This communication would be done both towards external stakeholders, particularly customers and investors, and towards the employees of the corporation, with external and internal communications materials, such as the company magazine "Tempus", targeted mainly at external stakeholders; the corporate employee magazine "Staffin Stora Enso" and local employee magazines; press releases, annual reports, company presentations, advertisements, leaflets, training materials, intranets, websites, etc.[854]

Particularly in internal communications, increasing emphasis was put on explaining how important the ways of working and attitudes of the employees were in creating the desired perceptions in external stakeholders' minds and, hence, in shaping the corporate brand image. Employees were also increasingly given examples of real cases demonstrating what working and thinking guided by e.g. initiative and a customer-helping attitude and environmentally and socially responsible attitude could be like – the "Can do" attitude.[855]

The managers were also interested in incorporating the values into feedback systems. For instance, the Total Quality Management system's self-assessment could be made to involve assessment of working according to values – particularly when it came to communications people. Furthermore, external stakeholders, particularly customers, would also be regularly asked about how they perceived the image of the corporation and its ways of working and whether they perceived the corporation and its ways of working as according with the defined values.[856]

[Metsä-Serla/M-Real]
Defining values (identity) and slogans for the corporate brand [mP#8]

At Metsä-Serla, managers became interested in defining values for the corporate brand among top and upper management, with the help of external consultants and surveys among external stakeholders, after the acquisition of Modo Paper in 2000.

The interests in defining values for the corporate brand were strong, as the top managers hired a foreign brand identity consultant agency, Wolff Olins from London, to help in defining the values for the corporate brand. A project team, consisting mainly of communications and

marketing people from the corporate and division levels, was set up to lead the work with the consultants. The team and the consultants specified managers within the corporation and external stakeholders, such as customers, to be interviewed for input into the definition work. Both managers and external stakeholders were widely interviewed about their views of the strategies and goals of the corporation and about what kind of strategies and goals it should have and about how the corporation should be perceived by outsiders. In workshops among the project team and with the top managers, corporate strategies and goals and potential brand values were pondered, discussed, and brainstormed, and consensus among the managers was pursued. In addition, the project team leader regularly reported to the executive team on the progress in the project. Eventually, values for the corporate brand were defined in 2001 as[857]:

1. Enthusiastic Client Support
2. Proficiency
3. Commitment
4. Creativity
5. Consideration and Respect

The first four values were essentially about initiative and a proactive customer-helping attitude among employees. On the other hand, the fifth value "Consideration and Respect" would basically be about environmentally and socially responsible attitude among employees.

> **Metsä-Serla/M-Real corporate communications manager, in 2001[858]:**
> *Enthusiastic Client Support.* M-Real's personality includes enthusism, because an enthusiastic and proactive attitude will help to find the solutions that best serve the client. We want to build real partnerships with our clients, and we will try to acquire a better understanding of their business.
>
> *Proficiency.* Good partnership requires good ideas that can be realized in both product development and business development. Excellent ideas also require the curiosity, opinions and far-sightedness of a pioneer, so that we can utilize those new opportunities that will benefit all parties the most.
>
> *Commitment.* Commitment to continuous development and finding successful solutions is also natural for M-Real employees. Development of solutions emphasizes co-operation, both in-house and with the clients. Before an internationally recognized perfume ends up in a fascinating package, every link in the production chain must devote itself to shared goals.
>
> *Creativity.* Creativity is also typical of M-Real's personality. The best results in terms of the future are achieved, when creativity and evolving solutions promote the achievement of business objectives.
>
> *Consideration and Respect.* M-Real's goals are set high, and in order to make it a success, the relations between the company's operations, people and the environment must be healthy. Consideration of people and a respectful attitude towards the environment are essential requirements for all operations. In practice this means, for instance, that M-Real affairs are always handled locally. When in Rome, we do as the Romans do, and take cultural differences into account in our operations.

At the same time when the values were being defined in 2000–2001, a new corporate name and visual identity for the corporation were defined. Also, a slogan for the brand was defined. One brand slogan became "Make it real". It would summarize and emphasize the values with the idea of initiative and a customer-helping attitude among the employees in solving customers' problems and making their own products better and their ideas more real or concrete with paper products – as the name "M-Real" itself. It would also contrast with the information technology hype and digitalism, emphasizing the concreteness of paper. Another phrase to be used, to some extent, as a slogan was "Passionate about paper and people", also

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[857] Malmivaara, Hanna (2001), "Far more than a face lift", *M-Real Insight,* 1, pp. 8–9.
Vaajoki, Jorma (2000), (editorial), *Metsä-Serla News,* Winter 2000/2001, p. 2.
[858] Malmivaara 2001.

involving the idea of initiative and a customer-helping attitude among employees.

Introducing the corporate brand values with a refined corporate name and visual identity [mP#10]

Interested in defining and introducing the new values in the year 2000, Metsä-Serla managers were interested in introducing the new corporate name and visual identity for the corporation at the time of introducing new brand values to employees and externally. The interests were strong, as the name and visual identity were completely changed, further emphasizing the need for change: a new kind of corporation, a common corporate culture, and values. When it came to the name, "Metsä-Serla" was also difficult for investors: the stock exchange identifier "metsa" was confused with "metso", the identifier for another Finnish corporation, Metso. The new corporate name, "M-Real", was introduced in March–April 2001. The name would reflect, again, the idea of the proactive customer-helping attitude of employees – the slogan "Make it Real" would actually serve to explain the name to e.g. employees. Note that the name also had nice reference to the letter "M" in the names of Metsä-Serla, Modo, and the main owner Metsäliitto Cooperative. On the other hand, e.g. "Metsä-Serla-Modo" or "Modo-Metsä-Serla" were considered too complicated and long names; anything related to "Serla" was considered problematic, as the Metsä-Tissue tissue and cooking paper business with the strong product brand family name "Serla" would be divested; and "Muzak", proposed by the consultants at some point, was considered awful in its reference to elevator music.[859]

The new name and the completely new, colourful visual identity were introduced to employees and external stakeholders simultaneously with the values and slogans for the corporate brand. In communication materials about the values, the new name and visual identity were prominent. Moreover, the new name and unified visual style would be strictly taken into use in practically all the communication materials of the corporation, such as in financial reports, brochures, company magazines, advertisements, exhibition department furniture, signs, flags, stationery, visiting cards, transparencies, and vehicles, as well as in much of the product communications.

Communicating to and training employees about the defined corporate brand values and slogans [mP#9]

The values having been defined, the managers became interested in communicating to and training employees about them. The interests were strong, as first, the values, together with the new name and visual identity, were communicated to upper and middle managers in an introduction event in the spring of 2001. The consultants trained some of these managers as "brand ambassadors" who would be responsible for introducing the corporate brand and values to the employees in their units. Training materials about the brand values, name and identity were given to the managers.[860]

The brand ambassadors arranged introduction events for the rest of the personnel in the units. The events were arranged simultaneously at every unit in March 2001. After the introduction events, communication about the corporate brand values, slogans, name, and

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859 Interviews (with Serlachius 25.1.2005; Toiviainen 26.1.2005; Kivelä 3.3.2005; Mynttinen 19.10.2005); Metsä-Serla, Press Release, 14.3.2001.

860 Interviews (with Toiviainen 26.1.2005; Serlachius 25.1.2005).

861 Interviews (with Serlachius 25.1.2005; Rysä 21.1.2005; Halonen 9.11.2005).

862 Interviews (with Toiviainen 26.1.2005; Rysä 21.1.2005).

863 Ibid.

identity was continued to employees through internal communication with e.g. leaflets and employee magazines. Also the external communication concerning the name, slogans, values, and identity through different channels served to communicate those issues to the employees.[861] Later, some workshops for the employees were arranged, where the employees could be trained about the values further. In the workshops, the managers and employees could jointly ponder how the brand values, e.g. the initiative and a proactive customer-helping attitude, could be manifested in the day-to-day ways of their working and thinking.[862]

Continuously communicating about and according to the corporate brand values employees and externally; using value feedback systems [mP#11]

The values having been defined and introduced, M-Real managers were interested in continuously communicating, with a strong emphasis, about the fact that the corporation's defined values would be guiding its ways of working and thinking and about things that would demonstrate that it indeed had these values guiding. This communication would be done both towards external stakeholders, particularly customers and investors, and towards the employees of the corporation, with external and internal communications materials, such as the company magazines "Embrace", targeted mainly at customers, and "M-Real Insight", targeted mainly at investors; the corporate employee magazine and local employee magazines; annual reports, press releases, company presentations, advertisements, leaflets, training materials, intranets, websites, etc. There was also a plan to have an advertisement campaign to communicate and promote the new corporate brand and its values: the Finnish advertising agency Hasan&Partners was first hired by the CEO in 2001 to do this in cooperation with the corporation's project team.

Furthermore, the managers were also interested in incorporating the values into feedback systems. A brand awareness and image study among external stakeholders was planned, particularly among customers, to find out about their perceptions of the M-Real corporate brand, as well as the product brands. This kind of study would be conducted regularly, every few years. Employees would also be asked about how they perceive the corporation's and their own ways of working and thinking and whether they perceived them as according with the defined values.[863]

[UPM-Kymmene]
Defining values (identity) and slogans for the corporate brand [mP#8]

At UPM-Kymmene, managers became strongly interested in defining values, or identity, for the corporate brand after the acquisition of Haindl in 2001. The definition would be done among the top and upper managers and with the help of external consultants, i.e. the Danish brand consultant agency Kunde and its Finnish subsidiary, and the studies they would conduct among external stakeholders, particularly customers and investors, and among employees.[864]

> **UPM-Kymmene line manager (division, executive),** *retrospectively***:**
> It was not until the early 2000s, and especially then after the Haindl acquisition, when also our CEO became interested in defining the corporate brand identity and values. Before that he wasn't very interested in this branding.

A project team of executives and corporate communications and marketing managers was formed to start the work of defining an identity for the corporate brand. The team specified with the consultants those external stakeholders, such as customers and investors, as well as

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[864] Interviews (with Ovaska 1.2.2005; Järventie-Thesleff 29.12.2005; Harrela 24.3.2005).

managers within the corporation, who would be interviewed for input into the definition work. In 2002, upper and top managers were widely interviewed about their views about the corporation, its strategies and goals – including the purpose statement, vision, and key success factors that had been outlined – and about what kind of strategies and goals it should have and about how the corporation should be perceived by outsiders. External stakeholders were widely interviewed about how they perceived the corporation and its ways of working at the time – a brand audit – and how they would like it to be and work in the future. In workshops among the project team and with the top managers, corporate strategies and goals and potential brand values were pondered, discussed, and brainstormed, and consensus among the managers was pursued. Image exercises were conducted in the workshops to make the work more fun and a positive shared experience. Based on the interviews and workshops, the consultants made suggestions for brand identity values. They also made another, even wider interview round among managers and employees of the corporation, as well as external stakeholders, to ask for comments and feedback to the various suggested corporate brand identity values.[865] Eventually, values for the corporate brand came to be defined and agreed on: the main value was to be "Continuous Improvement", particularly concerning:

> > treating our customers' problems as our own,
> > investing in people and technology, and
> > long-term commitment.

"Continuous improvement" in treating the customers' problems like your own would be much about initiative and a proactive customer-helping attitude among employees. On the other hand, "Continuous improvement" in long-term commitment included the idea of environmentally and socially responsible attitude among employees. And in both, "Continuous improvement" in investing not only in product development and technology, but also in employees, their motivation, initiative, and expertise would be important.[866]

> **UPM-Kymmene line manager (division, executive),** *retrospectively*:
> Treating our customers' problems as our own, as a value, would mean more emphasis on questions like how we can contribute to our customers' success, how we can use our expertise to help their product development, and how we can tailor our products and services so that they suit their business better…
> Long-term commitment would mean, for instance, improving our social, environmental, and financial responsibility in our daily working, in every locality where we operate.

After the values had been defined, the managers became interested in defining also a slogan, or tagline, for the brand. "We Lead. We Learn" would summarize the important value of "Continuous improvement", particularly in treating customers' problems as their own, as a target perception and objectives concerning the ways of working and thinking of the employees with initiative and a proactive customer-helping attitude.[867]

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[865] Interviews (with Ovaska 1.2.2005; Järventie-Thesleff 29.12.2005; Harrela 24.3.2005; Enholm 14.2.2005; Ronan 10.1.2005).

[866] Ibid.
Anon. (2003), "UPM-brändi on lupaus", *Kaukas,* 10–11, pp. 1–3.

[867] Interviews (with Ovaska 1.2.2005; Järventie-Thesleff 29.12.2005; Ronan 10.1.2005).

[868] Interviews (with Järventie-Thesleff 29.12.2005; Harrela 24.3.2005).
Anon. 2003.

[869] Interviews (with Harrela 24.3.2005; Järventie-Thesleff 29.12.2005).
Anon. 2003.

[870] Interviews (e.g. with Granholm 23.3.2005);
Niemelä, Juha (2003), "Selkeämpään kokonaisuuteen" (editorial), *UPM-Kymmene Watch,* 4, p. 3.
UPM-Kymmene, Press Release, 12.11.2003.
Anon. 2003.

[871] Interviews (with Granholm 23.3.2005; Ovaska 1.2.2005; Järventie-Thesleff 29.12.2005; Enholm 14.2.2005; Ronan 10.1.2005).

[872] Interviews (with Ovaska 1.2.2005; Järventie-Thesleff 29.12.2005; Harrela 24.3.2005);
Anon. 2003.

[873] Interviews (with Ovaska 1.2.2005; Harrela 24.3.2005).

Communication to and training of employees about the defined corporate brand values and slogans [mP#9]

With the values and slogan defined in 2002–2003, UPM-Kymmene managers became interested in communicating to and training employees about them in 2003. The corporate communications and marketing managers active in the brand definition project visited the various units of the corporation around the world to introduce the values to the managers of the units. Some managers were trained as "brand leaders" who would understand thoroughly what the branding in the corporation meant, in terms of e.g. ways of working, products and services, communication messages, and style of communication. The brand leaders would also be responsible for the introduction of and communication about the brand values to the employees of the units and for training them about those values. Training material was prepared for them.[868]

At the end of 2003, the new brand values and brand slogan were communicated to the employees of the corporation. Introduction events were arranged in the units by the brand leaders. Communication and training was also done by means of internal magazines and intranets, as well as leaflets about the corporate brand and the values distributed to all the employees. Moreover, workshops were arranged in the units, where the employees could be trained about the values further. In the workshops, the managers and employees could jointly ponder how the brand values, e.g. the initiative and a proactive customer-helping attitude and environmentally and socially responsible attitude, could show in the day-to-day ways of working and in the thinking of the employees.[869]

Introducing the corporate brand values with a refined corporate name and visual identity [mP#10]

Also at UPM-Kymmene, interested in defining and introducing the new values of the corporate brand identity, managers were interested in introducing a refined corporate name and visual identity for the corporation at the time of introducing the new brand values to employees and externally. The interests were fairly strong, as the corporate name to be used in most communication and interactions with e.g. customers was cut from "UPM-Kymmene" to "UPM". Note that the "Kymmene" part was also considered too difficult for many foreigners, e.g. in China, to pronounce. Besides, the short "UPM" was already in wide use in the day-to-day language of e.g. customers.[870] The visual identity was changed more radically: for instance, a graphical wave element, which was considered old-fashioned and heavy, was eliminated and squares were introduced as the dominant elements in most communications materials. The communication and training materials with which the values were introduced were made by using the new visual identity and the short version of the corporate name. Moreover, the shortened version of the name and the new unified visual style would be strictly taken into use in practically all the communication materials of the corporation, such as in financial reports, brochures, company magazines, advertisements, exhibition department furniture, signs, flags, stationery, visiting cards, transparencies, and vehicles, as well as in much of the product communications.[871]

Continuously communicating about and according to the corporate brand values employees and externally and using value feedback systems [mP#11]

The values having been defined and introduced, UPM-Kymmene managers were interested in

continuously communicating about the fact that the corporation's defined values would be guiding its ways of working and thinking, as well as about things that would demonstrate that it indeed had these values guiding it. This communication would be done both towards the employees of the corporation but also towards external stakeholders, particularly customers and investors, with external and internal communications materials. It could be done with the company magazine "Griffin", which was changed from a customer magazine to stakeholder magazine in general, targeted also to e.g. investors – the separate investor magazine "UPM-Kymmene Watch" was discontinued. It could also be done with local employee magazines, press releases, annual reports, company presentations, advertisements, leaflets, training materials, intranets, websites, etc.[872]

The managers were also interested in incorporating the values into feedback systems. "Brand tracking" would be done every few years: external stakeholder groups would be extensively asked to assess how they perceived the corporation and give feedback on its ways of working. This feedback would then be distributed to the people responsible for the interaction with the stakeholder groups. Employees would also be regularly polled, by means of an employee opinion survey, to assess how they perceived the corporation and to give feedback on their ways of working.[873]

11.3 Management interests Othered by corporate branding: 3rd phase

In this section, I describe problems that emerged with the management practices of corporate branding of the 3rd phase. Particularly, I describe management interests that were, to some extent suppressed, or Othered, by the management practices of the 3rd phase. I describe the Othered interests and how the management practices of the 3rd phase suppressed or acted against them in this section 11.3. Note that for confidentiality reasons, I choose not to mention the specific corporations or identities of managers quoted in this section. Nevertheless, particularly concerning one of the corporations, M-Real, to further illustrate the Othered management interests, I finally describe also how some management practices of the 3rd phase of corporate branding and the translation of interests were largely renegotiated, as the problems were recognized and the Othered interests ended up becoming strong enough.

11.3.1 Communicating different offerings to different customers

First, there was the interest, especially among salespeople and sales managers and division and mill marketing and line managers, who were accountable for selling particularly to certain customers, in communicating different offerings to customers. First of all, the corporation had, on the one hand, direct customers, such as publishers, printing houses, packaging manufactures, converters of paper and boards products – even timber products – and merchants and other intermediaries. On the other hand, it had indirect end-customer groups served by intermediaries, such as consumers, ordinary businesses and public institutions, smaller commercial printers and packaging manufacturers, and even construction companies and households using timber products. Typically, the direct customers would need the corporation to serve them with e.g. short delivery times and help in technical issues with the products, whereas indirect customers would get the service, if needed, from the

intermediaries, and would usually need the corporation merely as a producer of the products. Further, the direct customer groups, as well as the indirect end-customer groups, were very different from each other. All these customer groups would be in need of different kinds of products and services. Finally, also within the customer groups there would be different customers: for instance, some publishers would only be willing to make occasional spot orders from the corporation, while some would be willing to develop products in cooperation with the corporation or manage their inventory levels better by having continuous partnership and supply contracts with the corporation. All in all, it would be important to communicate to the different customer groups such different kinds of product and service offerings that they were likely to need.

There was a concern that defining corporate brand values to be taken as the one and only target perceptions which different external stakeholders, especially customers, should have about the corporation and its offerings [mP#8], could mean defining them at such a general level that they would not help in communicating about the corporation and its different offerings to different customer groups or customers. And indeed, all three Finnish P&P corporations did come to define the values at a very general level that did not make much difference to any customers: e.g. initiative and a proactive customer-helping attitude and environmentally and socially responsible attitude. Even having these general types of values as target perceptions to be communicated, continuously [mP#11], would make communicating about the corporation and its different offerings to different customer groups or customers more difficult. This would be the case to the extent that communication about different offerings to different customer groups, in e.g. corporate-level promotional materials delivered or targeted to customers, was reduced to give way to more communication to achieve the one common set of target perceptions for all the corporation's customers.

> **Sales manager**, *retrospectively*:
> About these brand values... of course, what customer would not like their supplier to better satisfy his needs all the time and better serve his business all the time or be socially responsible nowadays. They are generic goals, it's nice if all of our customers think that we can offer those kinds of things to them. But that's the problem also. We have very different kinds of customers, very dispersed customer segments, everything from wood products to the finest papers. As customer perceptions to be pursued, these kinds of generic values don't make a difference to any of our different customers. They don't tell anything about what we can offer to them in concrete terms. It may be that putting much effort into communicating and promoting the fact that we have such things as values is largely in vain.

There was also a concern that defining corporate brand values to be taken as the one and only target perceptions which would be communicated to external stakeholders of the corporation, especially customers [mP#8], could make them such that they would be far more attractive to certain customer groups than for others. Having these kinds of values as target perceptions to be continuously communicated [mP#11], would make communicating about the corporation and its offerings to other, different customer groups or customers more difficult. This would be the case to the extent that communication of different offerings to different customer groups was reduced to give way to more communication to achieve the goals of the common set of target perceptions for all the customers of the corporation.

> **Line manager (division, executive)**, *retrospectively*:
> In all this enthusiasm towards corporate branding it was somewhat forgotten that our corporation has a wide variety of very different kind of customers. Their needs for products and services would always differ to a great extent. It would not be possible to have all the customers see us as a certain kind of company, offering certain kinds of products, services and solutions. For instance, emphasizing this offering of helping customers find out their needs and solving them with new kinds of service solutions and listing some complex service

solutions would not be interesting in businesses where we have merchants and indirect end-users. In some businesses, it might work better and be more reasonable, for instance with publisher and packaging customers. But also there you have to see that the customers would and will differ in their needs for products and services.

11.3.2 Communicating differentiation to customers

Second, there was the interest in communicating to customers that the corporation and its offering were differentiated relative to other corporations and their offerings. There was a concern that since the defined brand values would be target perceptions which would be communicated to external stakeholders of the corporation [mP#8, MP#11], especially customers and investors, the values being too generic and similar to what competitors had as target perceptions would prevent any differentiation. This was a concern particularly with respect to having initiative and a proactive customer-helping attitude as a value, which should make the corporation able to offer customers help in specifying their paper- and board-related business needs and problems in more detail and in finding optimal products and services to satisfy the needs and solve the problems. It was also a concern with respect to having the environmentally and socially responsible attitude as a value, which should make the corporation act in a responsible way. Indeed, these were things – and basically the only things – that each of the three competing Finnish P&P corporations came to reflect in their values. Moreover, particularly the explicit claims communicated to e.g. customers that the corporation had these values guiding its work and at the heart of its offering would not make customers perceive the corporation differently if every competitor was claiming the same things. Thus, this kind of continuous communication with e.g. promotion materials delivered or targeted to customers, could be, to some extent, vain in terms of differentiation.

> **Deputy CEO,** *retrospectively***:**
> It would not help much in differentiation to have the idea of helping customers to solve their problems or social responsibility, or continuous improvement in them, as the mental associations that customers should have about us. Every company in the world tries to have customers associate these things to their company, including our competitors in this industry. It's practically impossible to get into a position where you can say that you really would be better or different than your competitors in those respects...

11.3.3 Supporting existing business and sales of products

Third, there was an interest, especially among salespeople and sales managers and division and mill marketing and line managers, who were accountable for selling to customers day-to-day, in supporting existing business in a sense of promoting and selling customers products which they were used to buying and which they were buying to their fairly well-specified needs. In this promotion and selling, promotion and communication materials would have to primarily describe products and their characteristics needed by the customers and come in the form of e.g. product brochures and sample books. This would be important in obtaining, with fairly small effort, continuous orders, which would generate good cash flows.

Nevertheless, there was a concern that if promotional materials and communication to customers concentrated heavily on emphasizing and demonstrating the corporation's behaviour and offerings according to the values [mP#8, mP#11], instead of describing products and their characteristics, it would be difficult to support the existing business. This would be a concern particularly with respect to emphasizing, according to the value of initiative and a proactive customer-helping attitude, the corporation's offering of help in specifying customers' paper- and board-related business needs and problems and in finding optimal product and service solutions to satisfy the needs and solve the problems. Most

customers would most of the time *not* be willing to re-specify their needs in new ways or find new kinds of solutions for them with the help of the corporation, but to be able to easily and straightforwardly order and buy products to quite well-specified needs, even on the spot market. Most customers simply would not be interested in hearing and reading about the corporation's brand values and the new kinds of solutions it offered. The more the communication would be about these, at the expense of being specifically about products, the more difficult would selling products to customers to their day-to-day, fairly well-specified needs be.

> **Sales manager,** *retrospectively*:
> The customers would not be very interested in reading abstract stories about how our corporation could help them solve their problems or what our values were. They would be first of all willing to see concretely what is being offered just to them. And you cannot stop communicating about products, which the customers most certainly still have as their main interest! If you stop, you cannot sell anything, which is of course a problem for the salespeople and for the divisions that are responsible for making profit from day to day.

11.3.4 Maintaining existing management processes

Fourth, there was an interest in largely maintaining existing management processes in terms of e.g. communication, training employees, motivating them, making decisions, measuring performance, and giving feedback. There was also interest in largely maintaining existing management processes in terms of power relations among managers.

There was a concern that having and communicating the brand values as objectives regarding the ways of working and thinking of the corporation's employees and as target perceptions which external stakeholders should have about the corporation and its offering [mP#8, mP#11] would mean that all communication, training and motivating of employees, measuring, decision-making, and feedback would have to be done by emphasizing and demonstrating that the defined brand values were guiding the ways working and thinking in the corporation. Creating a continuous process of this kind of corporate branding would mean it becoming the "mother process" of all the processes of management within the corporation. On the other hand, any decision within the corporation, or anything that the employees and managers should do, could be justified or left unjustified on the basis of someone's interpretation of whether it accorded to the brand values or not. The managers and employees would not be quite ready for this kind of quite new management process.

> **Deputy CEO,** *retrospectively*:
> I think the corporate branding thing, with respect to the identity and values and all, started to become slightly too large a cake. Doubts started to emerge among the management group and from managers below. I told the CEO not to let this go further, the organization won't bear it right now. It won't bear this process being implemented so that these [corporate communications and marketing persons active in corporate branding] go to every unit, telling that now we have a new [corporation] and all the ways of working and management have changed…
> Many of us started to think that hey, is this another "ism" again, which someone had brought into this company. I myself asked the question, pointed out that hey, hey, it wasn't supposed to be the idea that we would start to outline the questions related to managing the work in this corporation completely on a new basis. Change everything. That kind of thing would be a huge thing, it wouldn't be possible to do it by any kind of delegation. It would be an issue for the top management. The top management should really, really, put themselves at stake, into the fire.
> So, it started to become a larger issue than what the organization was prepared to adopt…
> The thing was starting to get out of our hands when this process was becoming the mother, the overcoat, of all the other processes.

> **Corporate communications manager,** *retrospectively*:
> The corporate branding discussion overheated at some stage, perhaps in 2002–2003. It

started to become a somewhat negative thing, as with the brand values you could justify anything. Developing the brand made anything possible. It was not wise any more...
When the concept of the corporate brand was repeated over and over again in the management, people started to become resistant. Going to the management meeting and talking about corporate branding, you could be shooting yourself on the foot to some extent. Some executives would think that again, he/she is talking about those things in which we are not interested that much...

11.3.5 Maintaining credibility of top managers and objectives among employees

Fifth, there was interest in maintaining the credibility of top managers and objectives outlined by them among employees. This would be important in having employees act according to the will of the top managers and the objectives set by them.

There was a concern that employees and managers of the corporation could not see the defined brand values and slogans or their wording [mP#8, mP#9, mP#11] as reflecting objectives which could be taken seriously for their ways of working and thinking – ways of working which should even be perceptible to outsiders, for external stakeholders, e.g. customers. This would be particularly evident to the extent that employees had not been able to widely take part in the definition work of the values and to the extent the consultants used in helping to define the values did not have much expertise in the business of the corporation or the P&P industry or were not professional otherwise. The employees would be ridiculing the brand values and slogans and undermining the credibility of the objectives, as well as the top managers as their spokespersons.

> **Marketing manager (division),** *retrospectively*:
> Some managers were questioning the idea that consultants who did not know anything about the business had been sent to ask them weird questions. Indeed, you could say that they did not understand much about the industry or about a Finnish forest company. There was some internal disappointment regarding that work. This did not, at least, add to the credibility of results...
> The brand values and slogans, particularly their wording, were eventually considered also by the management to be a little far from the reality of the corporation and its employees. "Being passionate" and letting it show outside was not exactly the thing for these people. For instance, for an ordinary salesman it could be difficult to identify himself with that kind of thing... There was some ridiculing done regarding this among the management and employees...

> **Manager,** *retrospectively*:
> Quite many employees would see the brand values and slogans as mere make-up. Make-up, decoration, which the management had for some reason been lured into doing. Screensavers with "We lead We learn" would be, at best, funny and something to laugh about for employees...

11.3.6 Managers' leaving visible signs of themselves and making changes to work done by preceding management

Sixth, there was interest among top managers in leaving visible signs of themselves and in making changes to the work done by preceding managers. Partly eliminating and replacing the work done by earlier managers and its results, as well as leaving visible signs of their own work, would be quite important for top managers – boosting their egos to some extent.

The defined and communicated brand values and slogans [mP#8, mP#11], as well as the corporate name and visual identity [mP#10], would be very visible signs of and represent strongly the work of managers, particularly that of the CEO, leading and managing the corporation at the time of the definition and introduction of the values, slogans, corporate

name, and visual identity. For new managers, leaving those aspects untouched would mean that they missed an opportunity to leave visible signs of their own leading and managing work behind. It would also mean that they missed an opportunity to make changes to the work done by earlier managers.

> **Manager,** *retrospectively***:**
> Managers want to leave something behind them. Make changes just for the sake of making changes. To be remembered. Changing corporate names and visual identities is one vehicle for this. So are definitions of values etc.

> **Manager,** *retrospectively***:**
> The new CEO was to some extent interested in getting rid of everything done by the previous one. The definition of the values for the corporate brand was among these things…

[Metsä-Serla/M-Real]

Particularly at M-Real, the Othered interests actually even became so strong that they came to call for negotiations on the management practices of corporate branding. A new CEO was appointed in the autumn of 2001, soon after the introduction of the new corporate name, visual identity, and brand values and slogans in spring 2001[874]. Managers came to consider that the defined values and slogans were problematic in being too vague and unrealistic to be directly communicated in a credible way to external stakeholders, particularly to customers, as values guiding the work of the corporation and making it different from the competitors. For instance, communicating to the customers that M-Real was more enthusiastic about helping customers than its competitors would not necessarily be credible – it would not position the corporation as different from others.

> **Metsä-Serla/M-Real marketing manager (division),** *retrospectively***:**
> It was not very clear whether we could claim that we were more enthusiastic or more interested in helping customers. Whether we had any substance to claim such things. It would be extremely difficult to differentiate from competitors with this. Particularly if there were no substantial solutions and examples to show.

The brand values and particularly the brand slogan "Passionate about paper and people" came to be considered problematic in being such that most employees and managers of the corporation could not see them as objectives that could be taken seriously for their ways of working and thinking. Some employees and managers were to some extent ridiculing the idea that they should be "passionate" about their somewhat mundane work and the somewhat mundane paper products they were producing or selling. The credibility of the values and the extent to which they could be taken seriously were undermined also by the fact that the consultant used in the definition work was considered to lack expertise, particularly in the business and industry of the corporation, but also elsewhere.

> **Metsä-Serla/M-Real sales manager,** *retrospectively***:**
> To some managers, even things beyond the fact that the consultants did not know anything about the industry and came up with ridiculous ideas represented the low quality of the work. For instance, the consultants forgot to check whether web domains for the new name "M-Real" were available; it turned out that in Germany or somewhere, the domain was occupied by a local porn site.

Furthermore, the new human resources manager that had been hired in the spring of 2001 contributed to convincing the top managers of the problem that employees had not been able to widely take part in the work of defining the values. It came to be considered that values defined with wider employee participation would be needed, to make employees identify

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[874] Interviews (e.g. with Toiviainen 26.1.2005);
M-Real, Press Release, 16.11.2001.

themselves better with the corporation and to have them adopt common ways of working. The HR manager also contributed to convincing the top managers that these values should only involve aspects of internal interaction among employees, not business aspects of managing customer relationships, such as initiative and a proactive customer-helping attitude towards customers.[875]

A new project to define new values for M-Real was actually initiated on this basis and the previously defined brand values were already largely forgotten in 2001 when it came to explicitly communicating them internally or externally. Employees from various units in different countries widely participated in the process in special workshops in 2002. A new external consultant was facilitating the process[876]. Eventually, the new values were defined as[877]:

> **"We respect each other."**
  > We act as a responsible member of our communities and contribute to the protection of the environment
  > We treat our business partners with integrity
  > We ensure that our people have safe and healthy working conditions and a balanced (work/personal) lifestyle
  > We recognise and encourage others to see cultural and individual differences as a resource
> **"We mean what we say, we do what we say."**
  > We promise only what we can deliver and we keep our promises
  > We make sure that we do not say one thing and do another
  > We provide positive and constructive feedback and we do not avoid giving bad news when necessary
> **"We have no barriers."**
  > We encourage thinking across business boundaries instead of thinking in silos
  > We keep it simple and willingly make knowledge and best practices available to others
  > We actively support the free circulation of resources in the corporation
> **"We encourage people to reach their full potential."**
  > We encourage job rotation and stimulate investment in continuous learning
  > We encourage personal and group initiatives and allow people to learn from mistakes
  > We actively support company commitment to create development opportunities for employees
  > We convince all people to see training as investment not costs

On the other hand, simultaneously while the definition of the values was underway, managers were defining a new vision for M-Real. Actually, the whole project was called "ViVa" or "Vision & Values". The vision came to be defined as:

> By enhancing our customers' business by providing them with excellent fibre-based products and value added services for their needs in consumer packaging, communications and advertising, we will be the most profitable paper and board company since 2008.

The new values, particularly the first one, were still closely related to environmentally and socially responsible behaviour. Reference to initiative and a customer-helping attitude would not be explicit – but rather included in the vision[878]. The values and vision were introduced to

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[875] Interviews (e.g. with Himma 20.4.2005).

[876] Himma, Ari (2003), "Values for people" (editorial), *Embrace,* 2003, p. 3.
Anon. (a) (2002), "Arvoistaan yhtiö tunnetaan", *M-Real Insight,* 4, p. 8.
Interviews (e.g. with Himma 20.4.2005; Lehtinen 25.4.2005; Rysä 21.1.2005; Halonen 9.3.2005).

[877] Anon. 2002;
http://www.m-real.com/wps/portal/!ut/p/_s.7_0_A/7_0_CH/.cmd/ad/.ar/sa.fireAptrixPortletAction/.c/6_0_69/.ce/7_0_CT/.p/5_0_6A/.d/2?PC_7_0_CT_aptrixPortletAction=UpdateAptrixPortletContext&WCM_Context=http://www.m-real.com/ilwwcm/connect/OneWeb/About+M-real/Commitment/M-real+values/ (Accessed 15.11.2005).

[878] Interviews (e.g. with Himma 20.4.2005);
Himma 2003;
M-Real Annual Report 2002, pp. 15, 86.

[879] Interviews (e.g. with Himma 20.4.2005).

[880] Interviews (e.g. with Halonen 9.3.2005).

[881] Interviews (with Toiviainen 26.1.2005; Rysä 21.1.2005).

[882] Interviews (with Toiviainen 26.1.2005).

[883] Interviews (with Toiviainen 26.1.2005).

[884] Interviews (with Halonen 9.3.2005; Rysä 21.1.2005; Karell 23.2.2005; Antikainen 24.1.2005; Toiviainen 26.1.2005; Lahtinen 10.1.2005).

the employees in 2002–2003. For instance, all employees participated in workshops where it was pondered what the values meant in their daily work[879]. In training materials the new visual identity of the corporation was applied[880]. This visual identity had been further developed from the corporate logo and fonts taken into use in 2001, when the new corporate name and brand values had been introduced[881].

Even if initiative and a proactive customer-helping attitude was not evident in M-Real's values as they were explicitly communicated since 2002, managers were still interested in continuously communicating about and according to this attitude to customers – as had largely been the case with the earlier brand values defined. Customers' target perception of M-Real, brand vision, was derived from the corporate vision as the "best provider of paper and board solutions for brand advertising, communication, and packaging". The newly-formed corporate marketing unit would be responsible for developing ways facilitate the development of the solutions in the business units and for communicating to employees and to customers about, according to, and to achieve the vision – which involved, again, the idea of a way of working with initiative and a proactive customer-helping attitude. Correspondingly, a new brand slogan was also pondered. "Answering the big questions" was one suggestion that was considered fairly good. However, any official new slogan was not introduced, but only an unofficial internal brand attitude "Challenge us" – emphasizing initiative and proactiveness in asking customers to tell about their problems to the M-real employees they were in contact with.[882]

Further, managers were particularly interested in having the communications and promotional materials emphasize and demonstrate to customers its ability to offer them help in specifying their paper- and board-related business needs and problems in more detail and in finding optimal products and service solutions to satisfy the needs and solve the problems. This solution offering would be emphasized instead of the offering of mere products. This interest was strong, as the corporate marketing function started to control the production of communication and promotion materials directed to customers, not only when it came to e.g. the customer magazines and website of the corporation, but also brochures and advertising which the divisions would be producing. Production of materials concentrating on products and their characteristics at the division level was considered less important and reduced. The production of materials at the division level was controlled by the corporate marketing unit and by an arrangement whereby most materials would be designed by one advertising and communications agency chain. Materials to be commonly used by all the divisions of the corporation, emphasizing M-Real's – the corporation's – solutions offering were also produced as never before. In these materials, the specific products of divisions would not be mentioned. To give more concrete examples of typical solutions developed and offered by the corporation, e.g. the offering to consumer good producers of outsourcing packaging procurement and the offering to publishers of reader perception studies related to paper, would be mentioned, though. Furthermore, the salespeople were communicated to and trained about the need for initiative and a proactive customer-helping attitude and the need to emphasize the corporation's solution offering to customers, de-emphasizing the various products and services traditionally offered to customers.[883]

However, also here problems emerged soon with these management practices of corporate branding. Managers, particularly managers and division marketing and line managers, came to consider it increasingly problematic that communication about products was decreased. The promotional materials and communication to customers concentrating heavily on emphasizing the corporation's offering to customers being the help in specifying their paper- and board-related business needs and problems and in choosing the optimal

product and service solutions satisfying the needs and solving the problems, instead of products produced by the divisions and sold by the sales offices, made it more difficult to serve the great majority of customers who were, after all, willing to simply purchase products to certain quite well-specified product needs. It would also make it difficult to emphasize to different customers the different kinds of products and services they were likely to need. As the division line managers were key members in the top management team, a strong management interest emerged in having the communication to customers to be, again, primarily about products and their characteristics.

> **Metsä-Serla/M-Real sales manager,** *retrospectively*;
> The control of the production of communications went almost over the limits. The materials came from the corporate level, so all the divisions and salespeople would have the same materials. Even in the selling work, actual cloning would have to be practiced in terms of selling the solutions of the corporation instead of the products that the specific types of customers, e.g. printers, publishers, package manufacturers, merchants, etc. needed…
> You cannot build a brand by fancy brochures. Only by serving customers better and better. The corporate marketing would not care much about what the salespeople needed, for instance, product books and brochures etc… They were only interested in promotion on a spiritual, attitudinal level of the corporation, not on the level of products…
> In itself, the idea of developing and communicating the M-Real brand towards a certain vision was not dumb at all. But you cannot disrupt the way day-to-day business is conducted.

Finally, managers became interested in ending the corporate-level control over the contents of communications materials produced by the divisions and sales offices. Only their consistency with the visual identity of the corporation would still be reviewed to some extent. Also the production of corporate level promotional materials about M-real's offering was mostly discontinued. The divisions would be responsible for developing and communicating about their offerings. Nevertheless, there remained some interest in continuously communicating about and according to the corporate values and vision to employees: this would in the long run make employees adopt e.g. more initiative and a proactive customer-helping attitude towards customers, as well as make customers and other external stakeholders have a corresponding perception of the corporation.[884]

PART V
Findings, Conclusions, and Research Implications

12 Conclusion to ANT Description of Parts III and IV

In Part IV of the Thesis, I described the management practices of corporate branding [mP's] in which managers, including top managers, of the P&P corporations mainly became interested and how the 18 management interests of the different managers described in Part III, Chapters 6 and 7, became management interests in corporate branding [mI's] and would be served or translated to those management practices [mI's→mP's].

The description in Part IV, considered together with the description in Part III, showed how the management interest in corporate branding eventually emerged. Not inconsistent with Foucault's (e.g. 1971) opposition of viewing history as a continuity or representative of a tradition, as well as his notion of emergence, or moment of arising, the description showed how the management interest in corporate branding emerged at specific moments of the history of the Finnish P&P corporations: around the year 2000 and, further, at the moments of individual mergers and acquisition around that time. Further concerning the temporality of the moment of arising, the description showed, consistent with the ANT notion of time being folded (Latour 2005), how the management interest in corporate branding emerged, as entities that had acted for longer or shorter time (Chapters 6 and 7) and entities that acted at the specific moments of individual mergers and acquisitions around the year 2000 (Chapter 7) interacted. Notably, around the year 2000,

> different managers and the various interests they had come to have amidst the longer-term developments in the 1980s and 1990s (Chapters 6 and 7);
> the many more mills and other subunits, machines, products and product names, and employees and managers that the corporations obtained in individual (international) mergers and acquisitions around the year 2000, as well as the interests of different managers that these entities made particularly strong in the specific moments of individual (international) mergers and acquisitions (Chapter 7); and
> corporate marketing and corporate communications managers and their proposals concerning management practices of corporate branding

interacted, as the management interest in corporate branding emerged.

Importantly, somewhat in accordance with Foucault's (1971) notion of emergence, the description further showed also how the management interest in corporate branding ultimately emerged not only in the temporal moment of mergers and acquisitions around the year 2000 or simply as a natural continuity or culmination of some developments – e.g. those related to the five taken-for-granted aspects – but also in an interstice and place of confrontation, through some play of dominations and struggle of forces. From an ANT stance, whereas Part III showed how different managers came to have various interests in their world-mastering efforts, Part IV showed how different managers themselves eventually came to be somewhat mastered by corporate branding (and its spokespersons). In Foucault's (1971) words, it was somewhat shown how the emergence of the interest in corporate branding was not about a decision, a treaty, a reign, or a battle but about a reversal of a relationship of forces. Actually, in the reversal of a relationship of forces, as certain common management practices of corporate branding would serve the various interests different managers had come to have amidst the black-boxing of the taken-for-granted aspects and at the moments of mergers and acquisitions around year 2000, a somewhat more unified management subject – with a common interest in corporate branding – got constructed. The same management practices of corporate branding – for which particularly the corporate

marketing and communications managers spoke for – would serve and translate different interests of different managers.

Concerning further the management interest in corporate branding emerging in an interstice and place of confrontation, through some play of dominations and struggle of forces, the description showed how, although there was a mask of more unity of the management subject with interest in corporate branding, dispersion and non-singularity of the identity of the management remained – fairly consistent with ANT authors' emphasis on controversies and their partial settlement (Latour 1987, 2005; Law 1999a), as well as Foucault's (1971) thinking. First of all, different managers still had different interests in corporate branding – albeit somewhat settled and becoming shared with the common interest in corporate branding. And importantly, the power of certain managers, especially corporate marketing and corporate communications managers, who acted as active spokespersons for corporate branding, grew considerably. Consistent with a classic idea in ANT (Callon and Latour 1981), their power grew from their becoming spokespersons for other actors' interests. In a somewhat similar vein, Foucault (1971) refers, in relation to emergence, to the usurpation of power and appropriation of a vocabulary turned against those who had once used it.

Indeed, traditionally and until the end of the 1990s, the role of corporate-level marketing people in the Finnish P&P corporations had been marginal. To the extent that there had started to be few marketing people working at the corporate level around the mid 1990s, they had mainly concentrated on producing customer magazines and some corporate-level promotion materials and presentations, planning some sponsorships, and facilitating the setting up of some guidelines for marketing communications by divisions and mills. The corporate communications people, in turn, had until the end of the 1990s concentrated on generating financial information and reports to investors; generating environmental information and reports; handling media relations; setting some guidelines for the visual identity of different kinds of materials produced by different units of the corporation; and producing company magazines and presentations about the corporation, as well as planning some sponsorships.

Assuming much control over the management practices of corporate branding, the power of corporate marketing and corporate communications managers in managing day-to-day business with customers and managing relationships to investors and internal relationships to employees and managers grew considerably. Actually, also the power of corporate head office grew. Moreover, the corporate marketing and corporate communication managers largely combined their forces in speaking for corporate branding. I will discuss these power relations in management in more detail in the Conclusions of the Thesis (section 14.3.1).

On the other hand, the description showed the issues of dispersion and power being evident also in how the interests of certain managers were somewhat suppressed or Othered by corporate branding. As I will discuss still in more detail in the Conclusions (section 14.3.2), especially interests strongly held by managers who were accountable for managing relationships to customers in terms of e.g. sales volumes and/or profits from selling certain products and/or from selling to certain customers were Othered. These managers included particularly sales managers and division and mill marketing and line managers of the corporations.

Furthermore, notes can made with respect to my description, particularly in Part IV, about the definitions of management practices in which the management became interested in corporate branding, as well as about how the definitions of the related entities were being negotiated and refined (particularly in 1st and 2nd phases of corporate branding). Concerning ANT's emphasis on the settlement of

controversies (e.g. Latour 1987, 2005), the described negotiations also showed how there was constant settlement of controversies related to corporate branding going on. Furthermore, it must be noted that the definitions of the management practices of corporate branding as described are likely *not* in any way definitive: negotiations to settle controversies related to corporate branding are likely to have continued from the point of time where my description ended (~year 2004) and are likely to continue.

Finally, what is concluded above about what the ANT description of how the management of the Finnish P&P corporations became interested in corporate branding shows us can be contrasted to some typical management and organization study approaches to the question of how companies adopt such an organizational or administrative innovation or a fashionable management concept, theory, or technique. More typical approaches, such as those based on neo-institutional theory or focusing on management fashion setters, would (1) pay little attention to the management of *individual* organizations and their interest in particular new management concepts. Importantly, there would be a tendency to assume that (2) the popular management concepts merely diffuse as ready-made packages among companies, (3) due to e.g. institutional or cultural contexts, structures, or forces or the performance of management fashion setters. It would be largely ignored that managers engage in structuring, translating, and socially constructing the management concepts in their organizations (cf. Zbaracki 1998; Mueller and Carter 2005; Morris and Lancaster 2006). Furthermore, the issue of (4) the management interest emerging in the historical process of an individual company, ultimately even at a certain moment in the history, would not be paid much attention to (cf. Mueller and Carter 2005). Finally, there would be an underlying assumption that (5) a uniform and unproblematic management subject exists in the order of things, and it would be neglected that (6) there may be potential controversies and power issues at play among managers in the adoption process (cf. Knights 2002; Knights and McCabe 1999; Sewell and Wilkinson 1992; Mueller and Carter 2005).

In contrast, the ANT Description helped to see how a concept such as corporate branding did not merely diffuse as ready-made to the P&P corporations or due to certain forces conceptualized by social scientists. It helped to see how the interest in such a concept emerged in a historical process, in relation to the black-boxing of certain aspects, and how it ultimately emerged at certain moments in the histories of the companies – around the year 2000 and, further, at specific moments of M&As around that time. Moreover, the Description helped to see how the management interest in corporate branding ultimately emerged not only in a temporal moment or simply as a natural continuity or culmination of some developments – e.g. those related to the taken-for-granted aspects. It helped to see how the interest emerged also in an interstice and place of confrontation, through some play of dominations and struggle of forces. It helped to see how the emergence of the interest in corporate branding was about a reversal of a relationship of forces, by showing how different managers came to have various interests in their world-mastering efforts but became themselves eventually somewhat mastered by corporate branding (and certain managers speaking for them). Also, it helped to see how a somewhat more unified management subject – with a common interest in corporate branding – got constructed, as the same management practices of corporate branding would serve and translate different interests of different managers. Finally, it helped to see how the power of certain managers and actors grew while certain management interests held particularly by certain managers were suppressed or "Othered".

13 Findings concerning research questions

Although I want to emphasize that basically the whole Description in Parts III and IV serves to solve the riddle of how come the management of the Finnish P&P corporations became interested in corporate branding, in this Chapter, I point out more concise findings related to the riddle of the study on the basis of the Description. I do this considering that particularly marketing, corporate branding, and B2B branding research traditions, to which I aim to primarily contribute, are inclined towards the realist paradigm pursuing fairly concise findings to specific research questions.

In this Chapter, I address the specific research questions derived from and related to the riddle of how come the management of the Finnish P&P corporations became interested in corporate branding – in a somewhat concise, or summarized, way. I choose to start by addressing research question 1 together with research questions 5a–5e and 6 and then address research questions 2–4. This is because research questions 5a–5e and 6 deal with "preconditions" for corporate branding in the Finnish P&P corporations, which can be considered to have *temporally preceded* the translation of the management interests in corporate branding to management practices of corporate branding, which, in turn, research questions 2–4 deal with.

Note that in addressing the research questions in this Chapter, I do not pay attention to the different interests of different managers (see Conclusions to Chapters 6, p. 253, and 7, p. 267, for these).

13.1 Preconditions and management interests for corporate branding

13.1.1 Preconditions for corporate branding related to the taken-for-granted aspects and longer-term developments

In this subsection, I address the specific research question 1: "What were the main (immediate) management interests in/behind corporate branding in the Finnish P&P corporations?". I do this by compactly addressing the specific research questions 5a–5e at the same time. Questions 5a–5e were derived from the riddle of how come the management of the Finnish P&P corporations became interested in corporate branding, particularly concerning what "preconditions" mainly related to the taken-for-granted aspects and the longer-term developments there were for the management interest in corporate branding and which "immediate" management interests in corporate branding were related to these. I list the preconditions and the management interests in corporate branding in five Tables below, one for each taken-for-granted aspect.

Recall that the preconditions would be (1) various intermediate outcomes related to the longer-term developments or, particularly, (2) management interests behind the "immediate" management interests in corporate branding. The former (1) are actually reflected, in the Description of Part III, in the sub-headings at the level above the sub-heading level of "Mobilizations" and "Interests in…". The latter (2), on the other hand, can be found among the "Interests in…" in the body of the description, preceding the sections where specific (immediate) "[management interests in corporate branding]" are described. Note that among the numerous "Interests in..." described along Part III, I exclude from the preconditions such

interests which were not strong in the early 2000s any more. Moreover, I do not include as preconditions such interests that were not directly translated to the management interests of corporate branding but mainly served only to contribute to the realization of various intermediate outcomes (1). For instance, if a precondition concerning an intermediate outcome would state that "the corporation had obtained production capacity in Southeast Asia", I would not include as a precondition an interest stating that "the management had become interested in obtaining production capacity in Southeast Asia". This way – if only the intermediate outcome mattered in the emergence of the management interests in corporate branding – I avoid unnecessary repetition.

In any case, in the Tables below, there are both types of preconditions. I use indentation to distinguish the preconditions reflecting management interests preceding (2) the "immediate" management interests in corporate branding from (1) the other intermediate outcome preconditions. When it comes to the immediate management interests in corporate branding, they are highlighted in the Tables with a grey background colour.

Note that, in the Tables, I also outline links between the preconditions and the management interests in corporate branding, based on the Description. That is, how a certain precondition can be considered to have been a precondition for another or, eventually, for an "immediate" management interest in corporate branding. I outline the links in the column "Precond. links", with the help of identifiers (left column) of the preconditions and management interests. For the preconditions in the different five Tables, I use identifiers *a, b, c, d,* and *e,* combined with numbers. For the (immediate) management interests in corporate branding, I use the same identifiers as in Parts III and IV, i.e. "*mI#*", combined with numbers. Since the longer-term developments related to the five taken-for-granted aspects are interrelated, I even outline the most important links between the preconditions and management interests in corporate branding across the Tables. I do this by having a certain precondition appear in more than one Table and by referring to the identifier that the precondition has in another Table in parenthesis, using bold and underlined typeface.

Finally, in column "Precond. true since" I note since when, approximately, each precondition began to hold true concerning the Finnish P&P corporations.

Research questions 1 and 5a. Addressing the research question 1 and, particularly, 5a, "What preconditions mainly related to *shareholders, shareholder value, and share price* were there for the management interest in corporate branding in the Finnish P&P corporations and which (immediate) management interests in corporate branding were related to these?", Table 3 summarizes the preconditions and related management interests in corporate branding which I found by looking into the Description.

Table 3: [Research questions 1 and 5a:] Preconditions for and (immediate) management interests in corporate branding in the Finnish P&P corporations – mainly related to shareholders, shareholder value, and share price.

Id.	Precond. links	Precondition for or (immediate) management interest in corporate branding – mainly related to shareholders, shareholder value, and share price	Precond. true since
a1		*Home country government regulations strictly restricting the obtaining of foreign credit capital had been removed and the corporation had become more independent of domestic banks for capital.* (section 6.1.1).	late 1980s
a2 **(c1, c2, c3)**		*The corporation had become quite large (having a large balance sheet relative to the equity of domestic banks).* (section 6.1.2, 6.1.3, 6.1.5)	early/ mid 1990s

a3	a2 (c1, c2, c3)	A single domestic bank had become unable to supply a major part of the credit capital needed by the corporation having large balance sheets relative to the equity of the domestic bank, without having a considerable risk concentration in the corporation. (section 6.1.2, 6.1.3, 6.1.5)	early 1990s
a4	a1, a17	Rivalry between spheres of different capital-holders in the home country, e.g. different commercial banks, the State, and farmers engaged in economic actitivies, and between persons holding power in the spheres had decreased. (section 6.1.3, 6.1.3, 6.1.5)	early/ mid 1990s
a5		Home country government regulations strictly restricting foreign ownership in domestic corporations to a low level had been removed and corporate tax had been lowered to a moderate level in the home country. (section 6.1.4).	1993
a6	a5, a3	Managers and domestic owners of the corporation had become more interested in the possibility of obtaining foreign equity capital.	early/ mid 1990s
a7		When it comes to a corporation of which a significant or majority part had been owned by the State, the dominant political parties had become more willing to privatize State-owned corporations. (section 6.1.6)	mid/ late 1990s
a8	a5, a6, a7	The foreign ownership of the corporation was increasing to significant levels. (section 6.1.6)	mid 1990
a9		Foreign and domestic equity investors and investment analysts had turned out to demand the creation of shareholder value in the form of e.g. large dividends and rising share price. (section 6.1.6)	mid 1990s
a10		Foreign and domestic equity investors and investment analysts had turned out to demand that the top managers of the corporation have share-price-based incentives. (section 6.1.6)	mid 1990s
a11	a6, a8, a9, a10	The owners of the corporation, also domestic, had become more interested in setting share-price-based incentives for top managers. (section 6.1.6)	mid/ late 1990s
a12	a6, a8, a9, a10, a11	Managers had become more interested in increasing the share price of the corporation.	mid 1990s
a13	a12, a6	Managers had become more interested in increasing demand for the shares of the corporation among investors.	mid 1990s
a14		Foreign equity investors outside the home country of the corporation, particularly smaller institutional investors and private investors, had turned out to not be very aware of the corporation as a paper and board company and as a potential investment target. (section 6.1.7)	mid 1990s
mI#1	a13, a16, a6	Managers had become more interested in **Increasing investor awareness of the corporation as a paper and board company**	mid 1990s
a15		The corporation had started to plan listing its share on the New York Stock Exchange (section 6.1.7)	end of 1990s
a16	mI#1, (a15)	Managers had become interested in increasing investor awareness of the corporation also among smaller foreign institutional investors and private investors.	end of 1990s
a17		Foreign equity investors and investment analysts were demanding fair treatment of minority shareholders and expertise and independence from Board members. (section 6.1.8)	mid 1990s
a18	a17, a13, a6	Managers had become more interested in dissolving what remained of the traditional capital sphere influence.	mid/ late 1990s
a19		Foreign equity investors and investment analysts turned out to demand from top managers extensive disclosure of information according to international standards, the setting and communication of clear objectives and policies for key financial figures and capital budgeting, and clear strategies and their communication. (section 6.1.9)	mid 1990s
a20	a19, a13, a6	Managers had become more interested in extensively disclosing information and in having and communicating clear strategies.	mid 1990s
a21	a19	Foreign equity investors and investment analysts turned out to demand from top managers clear and focused product and business portfolio strategies (section 6.1.10)	mid 1990s
mI#2	a21, a20	Managers had become more interested in **Communicating a clear and focused portfolio of core products and businesses to investors and analysts.**	mid 1990s

a22		Foreign equity investors and investment analysts were increasingly analysing corporations as investment targets on the criteria of the extent that they own rights to certain strong brands. (section 6.1.11)	end of 1990s
mI#3	a22, a13, a16, a6	Managers had become more interested in **Emphasizing the corporation's brands to investors and analysts.**	end of 1990s
a23		Foreign equity investors and investment analysts were increasingly analysing corporations as investment targets on the criteria of the extent that the corporations and their management were dynamic and able to renew themselves. (section 6.1.12)	end of 1990s
mI#4	a23, a13, a16, a6	Managers had become more interested in **Signalling renewal to analysts and investors.**	end of 1990s

Research questions 1 and 5b. Addressing the research question 1 and, particularly, 5b, "What preconditions mainly related to *differentiation in the market* were there for the management interest in corporate branding in the Finnish P&P corporations and which (immediate) management interests in corporate branding were related to these?", Table 4 summarizes the preconditions and related management interests in corporate branding which I found by looking into the Description.

Table 4: [Research questions 1 and 5b:] Preconditions for and (immediate) management interests in corporate branding in the Finnish P&P corporations – mainly related to differentiation in the market.

Id.	Precond. links	Precondition for or (immediate) management interest in corporate branding – mainly related to differentiation in the market	Precond. true since
b1		Managers had become more interested in producing and marketing products with higher value added, particularly using certain older machines to produce products with higher value added relative to what they had been producing.	early 1980s
b2		Managers had become more interested in marketing and producing differentiated products.	early 1980s
b3 (*c5*)	b2	Managers had become more interested in having direct contacts between the corporation, or its mills, and customers, e.g. to have direct cooperation in the development of differentiated products and in introducing and promoting them to customers effectively.	early 1980s
b4	b2, b1	The corporation had attempted to market and produce differentiated products to be sold to large direct customers, to be sold also to smaller customers via intermediaries, and to be sold also to consumer-like customers via intermediaries. (section 6.2.2, 6.2.4, 6.2.5, 6.2.8)	1990s
b5	b4	Managers had noticed that not much sustainable competitive advantage could be created by differentiating products, due to e.g. processing technology manufacturers selling the same technology to various competitors and the qualities of the products depending largely on the processing technology. (section 6.2.3)	1990s
mI#5	b2, b5, b6	Managers had become more interested in **Developing and maintaining strong product brands.**	late 1980s
b6		The intermediaries via which a large part of production was sold had grown considerably in size and were, on the one hand, widely demanding the possibility to sell products with private label brands and, on the other hand, increasingly willing to engage in cooperative long-term marketing efforts with certain producers. (section 6.2.6)	mid 1990s
b7	b4, mI#5	Promotion used in selling differentiated products in addition to the standard commodity products had come to incur considerable costs to the corporation. (section 6.2.7)	early/mid 1990s
mI#5	b2, b5, b6, b7	Managers had become more interested in **Developing and maintaining strong product brands and brand families.**	1990s
b8	b5, b2	Managers had become more interested in differentiating beyond product offering. (section 6.3)	early/ mid 1990s
b9		Increasingly large and global customers were in need of increasingly varied products, and increasingly demanding the corporation to offer a wide product range. (section 6.3.2)	1990s
b10	b9, b8	Managers had become more interested in differentiating by offering customers a wide product range rather than individual products.	early 1990s

b11	b9, b10, _**mI#16**_ _**(m&a)**_	_Managers had become more interested in organizing salesforce more according to customer segments._	_mid/late 1990s_
mI#6	b10, b11	_Managers had become more interested in_ **_Emphasizing to customers the corporation's offering of a wide range of products rather than that of individual products._**	_mid/late 1990s_
b12		_Increasingly large and global customers were increasingly demanding supply reliability of large volumes to different locations, large capacity, and a large number of mills in different locations._ (section 6.3.3)	_1990s_
b13	b12, b8	_Managers had become more interested in differentiating by offering customers large volume supply reliability._	_early 1990s_
mI#7	b13	_Managers had become more interested in_ **_Emphasizing to customers the corporation's offering of large volume supply reliability rather than that of products._**	_mid/late 1990s_
b14		_Customers were increasingly demanding the corporation to offer shorter delivery times and smaller order sizes._ (section 6.3.6)	_1980s/ 1990s_
b15		_Customers were increasingly demanding the possibility to have products customized to their needs._ (section 6.3.7)	_late 1990s_
b16	b14, b15, b8	_Managers had become more interested in differentiating from competition by services offered by the corporation, such as shorter delivery times and smaller order sizes, and joint research and development projects and customized products._	_mid/late 1990s_
mI#9	b16	_Managers had become more interested in_ **_Emphasizing to customers the corporation's offering of services rather than that of products._**	_late 1990s_
b17		_The slightly differentiated products that various producers had introduced to the markets beside standard grades were making the choice of products increasingly difficult for customers. Each product of a corporation had come to have close substitutes both in the product range of competitors and in the increasingly wide product range of the corporation itself. On the other hand, customers were having increasingly specialised and sophisticated end-uses._ (section 6.3.8)	_late 1990s_
b18	b17, b8	_Managers had become more interested in differentiating by offering customers help in specifying their business needs and problems in more detail and in finding optimal product and service solutions to satisfy their needs and solve their problems._	_end of 1990s_
mI#10	b18	_Managers had become more interested in_ **_Having employees adopt a way of working with initiative and a proactive customer-helping attitude._**	_end of 1990s_
mI#11	b18	_Managers had become more interested in_ **_Emphasizing to customers the corporation's offering of solution help rather than that of products._**	_end of 1990s_

Research questions 1 and 5c. Addressing the research question 1 and, particularly, 5c, "What preconditions mainly related to _selling own products_ were there for the management interest in corporate branding in the Finnish P&P corporations and which (immediate) management interests in corporate branding were related to these?", Table 5 summarizes the preconditions and related management interests in corporate branding which I found by looking into the Description.

Table 5: [Research questions 1 and 5c:] Preconditions for and (immediate) management interests in corporate branding in the Finnish P&P corporations – mainly related to selling own products.

Id.	Precon d. links	Precondition for or (immediate) management interest in corporate branding – mainly related to selling own products	Precond. true since
c1 _**(a2)**_		_The corporation had become large (having large volumes of production to be sold by own international sales network with e.g. economies of scale in selling and marketing and market power relative to customers)._ (section 6.3.1)	_1990s_
c2 _**(a2)**_		_The corporation had become large (owning production capacity for a wide range of products to be offered to large customers increasingly in need of different products)._ (section 6.3.1, 6.3.2)	_1990s_

c3 (a2)		The corporation had become large (owning large production capacity and a large number of mills to convince large customers of the delivery reliability of the corporation as a supplier – customers increasingly concerned about this reliability). (section 6.3.1, 6.3.3)	1990s
c4		The Commission of the European Communities, or the European Union (EU) had started to increasingly view the sales associations, which maintained sales networks common for many Finnish P&P corporations, as unauthorized cartels in the market areas belonging to the European Economic Community (EEC). With Finland planning to join the EU and eventually as a member of it, the competition authorities of the EU and Finland were planning to forbid or had forbidden the sales associations in their earlier form. (section 6.3.4)	early 1990s
c5 (b3)	(b2)	Managers had become more interested in having direct contacts between the corporation, or its mills, and customers, e.g. to have direct cooperation in the development of differentiated products and in introducing and marketing them to customers effectively.	early 1980s
c6	c1, c2, c4, c4, c5 (b3)	Managers had become more interested in building and maintaining their own international sales networks.	1980s/ 1990s
c7		Customers that the corporation or its mills had, or had had, via the sales associations turned out not to necessarily be very aware of the corporation as a potential paper and/or board supplier, being often more aware of a sales association, its country-specific sales office, or the mills of the corporation. (section 6.3.5)	early/mid 1990s
mI#8	c7, c6, c5	Managers had become more interested in **Increasing (direct) customer awareness of the corporation as a paper and board supplier.**	early/mid 1990s
c8	c6	The sales associations had been dismantled. (section 6.3.4)	mid 1990s

Research questions 1 and 5d. Addressing the research question 1 and, particularly, 5d, "What preconditions mainly related to *international expansion* were there for the management interest in corporate branding in the Finnish P&P corporations and which (immediate) management interests in corporate branding were related to these?", Table 6 summarizes the preconditions and related management interests in corporate branding which I found by looking into the Description.

Table 6: [Research questions 1 and 5d:] Preconditions for and (immediate) management interests in corporate branding in the Finnish P&P corporations – mainly related to international expansion.

Id.	Precond. links	Preconditions for or (immediate) management interest in corporate branding – mainly related to international expansion	Precond. true since
d1		Paper and board demand growth was highest in areas such as China, Eastern Europe, Russia, and the Community of Independent States (CIS). Local suppliers in these areas had an increasing advantage, as they could e.g. minimize delivery times and transportation costs, benefit from customers' trust towards local producers, and avoid problems from currency fluctuations across countries and regions, as well as avoid potential barriers to imports, such as customs fees, import quotas, and punishing tariffs. (section 6.4.1)	1990s
d2		Paper and board demand was largest in areas such as Central and Western Europe and North America. Local suppliers in these areas had an increasing advantage, as they could e.g. minimize delivery times and transportation costs, benefit from customers' trust towards local producers, and avoid problems from currency fluctuations across countries and regions. (section 6.4.2)	1990s
d3		Cheap recycled fibre was available as a raw material for paper and board in areas of large paper consumption, such as Central and Western Europe and North America. Not much fibre was available in the corporation's home country, Finland, and transportation costs of fibre to Finland were high. In Finland, wood costs were rising. (section 6.4.3)	late 1980s
d4		Cheap short-fibre, eucalyptus-like wood was available as a raw material for chemical pulp in areas such as Southeast Asia and South America and there was an integration advantage to be gained from building a paper mill next to a pulp mill. In Finland, wood costs were rising. (section 6.4.4)	1990s

d5		*Cheap labour and energy were available in Southeast Asia and South America. In Finland, labour and energy costs were rising. (section 6.4.5)*	*mid 1990s*
d6	*d1, d2, d3, d4, d5*	*The corporation had obtained considerable production capacity in locations outside Finland, where it had traditionally had most of its production capacity. (section 6.4.6)*	*end of 1990s*
d7 (<u>e7</u>)	*d1, d4, d5*	*The corporation had started projects such as joint ventures for production or sales also in developing countries. (section 6.4.7)*	*end of 1990s*
d8		*Potential employees outside Finland had turned out to be very unaware of the corporation as a potential employer. (section 6.4.8)*	*end of 1990s*
mI#12	*d6, d8*	*Managers had become more interested in* **Increasing potential employee awareness of the corporation.**	*end of 1990s*
d9	*d6*	*The corporation had come to sell more production in market areas such as North America, China, Eastern Europe, Russia, and the Community of Independent States (CIS), outside market areas where the majority of the production had traditionally been sold, i.e. Central and Western Europe and Scandinavia. (section 6.4.6)*	*end of 1990s*
d10		*Potential customers in market areas such as North America, China, Eastern Europe, Russia, and CIS turned out to not necessarily be very aware of the corporation as a potential paper and/or board supplier. (section 6.4.8)*	*end of 1990s*
mI#8	*d9, d10*	*Managers had become more interested in* **Increasing (direct) customer awareness of the corporation as a paper and board supplier.**	*end of 1990s*

Research questions 1 and 5e. Addressing the research question 1 and, particularly, 5e, "What preconditions mainly related to *environmental responsibility issues* were there for the management interest in corporate branding in the Finnish P&P corporations and which (immediate) management interests in corporate branding were related to these?", Table 7 summarizes the preconditions and related management interests in corporate branding which I found by looking into the Description.

Table 7: [Research questions 1 and 5e:] Preconditions for and (immediate) management interests in corporate branding in the Finnish P&P corporations – mainly related to environmental responsibility issues.

Id.	Precond. links	Precondition for or (immediate) management interest in corporate branding – mainly related to environmental responsibility issues	Precond. true since
e1		*It had become clear that "environmental friendliness", or "environmental responsibility", would not be a concern only for the local people living close to mills, the general public, and media – as before – but also to the general public as consumers, buying various paper and board products, and, hence, to the corporation's customers. (section 6.5.1)*	*early 1990s*
e2		*It had become clear that the criteria for "environmental friendliness" and images of "environmental friendliness" in especially consumers' and customers' perceptions created by e.g. environmental organizations, media, or the authorities of certain countries with certain trade-political interests, could come to dramatically affect the business of the corporation. (section 6.5.1, 6.5.2)*	*early 1990s*
e3		*It had become clear that there could be quite unpredictable alterations in the criteria for "environmental friendliness" and images of what was perceived as "environmentally friendly" with respect to paper and board products and mills – as had been around "low-chlorine", "totally chlorine-free", and "recycling" and "recycled fibre content" of paper and board products. (section 6.5.2)*	*early 1990s*
e4		*It had become clear that the criteria for "environmental friendliness" could come to concern the whole supply chain of the corporation and the corporation's "environmentally responsible behaviour", e.g. concerning the forest management practices and choosing from which kinds of forests wood used as raw material would be procured and harvested and how – not only the products and technologies at mills. (section 6.5.3)*	*early/mid 1990s*

e5	e4	It had become clear that such criteria for "environmental responsibility" could emerge for which there would not be any unequivocal measures, such as there had been for the amount of chlorine used in pulp bleaching or ending up to paper products or for the amount of recycled fibre in the products. It had become clear that for e.g. "good forest management", "old-growth forests", "forest of high biodiversity", "forest representing key biotope", "exploitation of forests", "excessive drainage", "clear-cutting", or "old tree", there would not be very unequivocal measures. (section 6.5.4)	mid 1990s
mI#13	e1, e2, e3, e4, e5	Managers had become more interested in **Communicating an image of the corporation's behaviour as environmentally responsible.**	mid 1990s
e6	e4, e5, mI#13	It had become clear that it was possible that the practices of any individual unit of the corporation and even those of individual employees could be claimed to be environmentally irresponsible, e.g. concerning forest management practices and choosing from which kinds of forests wood would be procured or harvested and in what way. (section 6.5.3)	mid/late 1990s
mI#14	e6	Managers had become more interested in **Having employees adopt a way of working with an environmentally responsible attitude.**	mid/late 1990s
e7 (_d7_)	(_d1, d4, d5_)	The corporation had started projects, such as joint ventures, for production or sales, also in developing countries. (section 6.4.7)	end of 1990s
e8	e7 (_d7_)	Environmental and human rights organizations had started to crititize the projects the corporations had in developing countries, accusing the corporations of "socially irresponsible", or generally irresponsible behaviour, e.g. in "doing business with military dictatorship governments" or "governments trampling human rights" or "with companies supported by such governments"; in "supporting grey economy" or "corruption" or "financial criminality; or in "exploiting natural forests owned by local people" or "being an essential part of their living environment". (section 6.5.5)	end of 1990s
e9	e8	It had become clear to managers that the criteria for not only "environmentally responsible" behaviour and images of "environmentally responsible" behaviour but also criteria for "socially responsible" behaviour and images of "socially responsible" behaviour in especially consumers' and customers' perceptions created by e.g. environmental organizations and media, could come to dramatically affect the business of the corporations. (section 6.5.5)	end of 1990s
e10	e8, e9	It had become clear to managers that it was possible that the practices of any individual unit of the corporation and even those of individual employees could be claimed to be not only environmentally but also socially irresponsible, e.g. concerning actions of managers, employees, and individual units of the corporations or actors with which the corporations were cooperating in e.g. Southeast Asia, South America, or Russia. (section 6.5.5)	end of 1990s
mI#13	e10, e8, e9	Managers had become more interested in **Communicating an image of the corporation's behaviour as environmentally _and socially_ responsible.**	end of 1990s
mI#14	e10, mI#13	Managers had become more interested in **Having employees adopt a way of working with environmentally _and socially_ responsible attitude.**	end of 1990s

13.1.2 Preconditions for corporate branding related to mergers and acquisitions around year 2000

In this subsection, I address the specific research question 1 of "What were the (immediate) management interests in corporate branding in the Finnish P&P corporations?" by compactly addressing the specific research question 6 at the same time. The question 6 was derived from the riddle of how come the management of the Finnish P&P corporations became interested in corporate branding, particularly concerning what "preconditions" mainly related to _mergers and acquisitions around the year 2000_ there were for the management interest in corporate branding in the Finnish P&P corporations and which (immediate) management interests in corporate branding were related to these. I list the preconditions and the management interests in corporate branding in Table 8. The

logic for presenting the preconditions and (immediate) management interests in the Table is the same as above.

Research questions 1 and 6. Addressing the research questions 1 and 6, "What preconditions mainly related to *mergers and acquisitions around year 2000* were there for the management interest in corporate branding in the Finnish P&P corporations and which (immediate) management interests in corporate branding were related to these?", Table 8 summarizes the preconditions which I found by looking into the Description.

Table 8: [Research questions 1 and 6:] Preconditions for and (immediate) management interests in corporate branding in the Finnish P&P corporations – mainly related to mergers and acquisitions around the year 2000.

Id.	Precon d. links	Precondition for or (immediate) management interest in corporate branding – mainly related to situation after mergers and acquisitions, around the year 2000	Precond. true since
m&a-1	**(a2, c1, c2, c3)**	The corporation had come to own numerous paper and board mills and machines. An individual merger or acquisition further increased the number of mills and machines, at once. (section 7.1)	mid/late 1990s
m&a-2	**(a2, c1, c2, c3)**	The corporation had come to own many mills and machines producing quite similar products. An individual merger or acquisition further increased the number of mills and machines producing quite similar products, at once. (section 7.1)	mid/late 1990s
m&a-3	m&a-1	Managers had become more interested in the rationalization of production, e.g. dedicating individual machines to producing a narrow product range with higher cost-efficiency and to producing such products which would suit a certain machine, its technology, and process best.	mid 1990s (part. after M&As)
m&a-4	m&a-1, -2	Managers had become more interested in production and delivery optimization, e.g. making the decisions of which mill and machine produced and delivered certain customer orders based on the optimization of e.g. production costs, transportation costs, inventory costs, and delivery times; and in situations of lower demand, running only those machines that were the most efficient ones.	mid 1990s (part. after M&As)
m&a-5	m&a-3, -4	Managers had become more interested in transferring responsibility for production and delivery planning from mill management to division management.	mid 1990s
m&a-6	m&a-5	The corporation had started to transfer control of production to divisional management. (section 7.1.2)	mid/late 1990s
m&a-7	m&a-6, -5, -4, -3	Managers had become more interested in making divisions primary profit centers and removing some of the profit center status of mills.	mid 1990s
m&a-8	m&a-2	Managers had become more interested in having different machines producing products at a highly similar quality level. An individual merger or acquisition further increased the number of mills and machines, at once.	mid 1990s (part. after M&As)
mI#15 (m&a)	m&a-8	Managers had become more interested in **Making (direct) customers indifferent of which mill produced the products**	late 1990s (part. after M&As)
m&a-9	m&a-2, -4, -5, -6	Salespeople had increasing difficulties in choosing which mill's product to offer to customers and customers in choosing one of the many similar or interchangeable products produced by the corporation's mills. An individual merger or acquisition increased the number of mills and products at once, increasing the difficulties at once. (section 7.1.3)	late 1990s (part. after M&As)
m&a-10	m&a-2, -4, -5, -6	Problems had emerged with the pricing and promotion each mill did for their own products with the aim of maximizing the sales and profits from the products of the mill, even by competing with or cannibalizing the sales of similar products or interchangeable products produced by other mills of the corporation. An individual merger or acquisition increased the number of mills and produts at once, worsening the problems at once. (section 7.1.3)	late 1990s (part. after M&As)
mI#16 (m&a)	m&a-9, -10	Managers had become more interested in **Reducing salespeople and customer confusion, preventing the cannibalization of sales, and eliminating competing promotion among the corporation's products**	late 1990s (part. after M&As)

m&a-11	*mI#16 (m&a)*	*The corporation had started to increasingly transfer control of sales and marketing from mills and sales offices to divisional management.* (section 7.1.4)	*late 1990s*
m&a-12	*m&a-6, -11, -5, -4, -3*	*Losing power and independency in decision-making, managers of mills and sales managers could, to some extent, resist the changes giving more control to divisions and continue to (sub)optimize operations at the mill level, rather than optimize operations at the divisions' or corporation's level.* (section 7.1.5)	*mid/late 1990s (part. after M&As)*
m&a-13	*(m&a-12)*	*After individual mergers and acquisitions, particularly international ones, managers and employees, particularly those of acquired companies, were resisting, to some extent, <u>any</u> changes and continuing to (sub)optimize operations at mill, or sub-unit level, rather than optimizing operations at the divisions' or corporation's level.* (section 7.1.6)	*late 1990s (part. after M&As)*
m&a-14	*m&a-13, -12*	*Managers had become interested in decreasing managers', as well as all employees', change resistance and suboptimization behaviour.*	*late 1990s (part. after M&As)*
mI#17 (m&a)	*m&a-14, -13, -12*	*Managers had become more interested in* **Committing managers to corporate strategies and goals**	*late 1990s (part. after M&As)*
mI#18 (m&a)	*m&a-14, -13, -12, mI#17 (m&a)*	*Managers had become more interested in* **Having employees identify themselves with and be proud of the corporation**	*late 1990s (part. after M&As)*

Moreover, by looking into the Description, it can be noted that at the moments of *individual* mergers and acquisitions around the year 2000, whereby the corporations, at once, obtained many more mills, other subunits, machines, products to be promoted and sold, and employees, some of the problems referred to in Table 8 became emphasized and some management interests quite strong. A further finding of mine is:

[Research question 6:] The preconditions for the management interest in corporate branding (listed in Table 8, as well as in Tables 5–9) held quite true concerning the Finnish P&P corporations in the late 1990s and early 2000s. At that time, at the moments of individual mergers and acquisitions, whereby the corporations, at once, obtained many more mills; other subunits, such as (daughter) companies, sales offices, and administrative offices; machines; products to be promoted and sold; and employees, particularly the following problems became quite emphasized:

> *problems with salespeople's difficulties in choosing which mill's product to offer to customers and customers' difficulties in choosing one of the many similar or interchangeable products produced by the corporation's mills (m&a-9);*

> *problems with the pricing and promotion each mill did for their own products with the aim of maximizing the sales and profits from the products of the mill, even by competing with or cannibalizing the sales of similar products or interchangeable products produced by other mills owned by the corporation (m&a-10);*

> *problems with managers and employees, particularly those of acquired companies, resisting, to some extent, any changes and continuing to (sub)optimize operations at mill, or sub-unit, level, rather than optimizing at the division or corporate level (m&a-12, m&a-13);*

Accordingly, particularly the following precondition management interests became quite strong at the moments of individual mergers and acquisitions around the year 2000:

> *interest in the rationalization of production (m&a-3);*
> *interest in production and delivery optimization (m&a-4);*
> *interest in having different machines producing products at a highly similar level (m&a-8);*
> *interest in preventing managers', as well as all employees', change resistance and suboptimization behaviour (m&a-14).*

*Accordingly, particularly the following **management interests in corporate branding** became quite strong at the moments of individual mergers and acquisitions around the year 2000:*

> *interest in Making (direct) customers indifferent to which mill produced the products [mI#15];*
> *interest in Reducing salespeople and customer confusion, preventing cannibalization of sales, and eliminating competing promotion among the corporation's products [mI#16];*
> *interest in Committing managers to corporate strategies and goals [mI#17];*
> *interest in Having employees identify themselves with and be proud of the corporation [mI#18].*

Finally, it can be noted that the *international nature* of individual mergers and acquisitions around the year 2000, making the corporations obtain many more mills, other subunits than mills, and employees and managers *in and from different countries*, further emphasized certain problems and further strengthened certain management interests. A further finding of mine is:

[Research question 6:] At the moments of individual mergers and acquisitions of the Finnish P&P corporations in the late 1990s and early 2000s, the international nature of the mergers and acquisitions, making the corporations obtain many more mills, other subunits than mills, and employees and managers in and from different countries, emphasized the following problems:

> *problems with managers and employees, particularly those of acquired companies, resisting, to some extent, any changes and continuing to (sub)optimize operations at mill, or sub-unit level, rather than optimizing at the division or corporate level (m&a-13, m&a-12);*

Accordingly, the <u>international nature</u> of individual mergers and acquisitions around the year 2000 further strengthened particularly the following precondition management interest:

> *interest in preventing managers', as well as all employees, change resistance and suboptimization behaviour (M&A-11).*

*Accordingly, the <u>international nature</u> of individual mergers and acquisitions around the year 2000 further strengthened particularly the following **management interests in corporate branding**:*
> *interest in Committing managers to corporate strategies and goals [mI#17];*
> *interest in Having employees identify themselves with and be proud of the corporation [mI#18].*

13.2 Management practices of corporate branding, interests behind, and interests Othered

Research questions 1, 2, and 3. Table 9 below summarizes the main management interests translated in corporate branding, which I found through the Description. The Table compactly addresses the research question 3, "To what management practices of corporate branding were the (immediate) management interests in corporate branding translated?".

Moreover, the Table once more addresses research question 1, "What were the main (immediate) management interests in/behind corporate branding in the Finnish P&P corporations?". These management interests are listed on the rows of the Table. Furthermore, the Table addresses research question 2, "What were the management practices of corporate branding in which the management of the Finnish P&P corporations mainly became interested?". These management practices are listed in the columns of the Table.

Concerning research question 3, the grey cell colour in the Table and the note "transl." indicate that the management practice of the column was a translation of the management interest on the row.

To recap, my findings concerning research questions 1 and 2 are the following:

[Research question 1:] The main (immediate) management interests in/behind corporate branding in the Finnish P&P corporations were:

> *[mI#1]*   *Increasing investor awareness of the corporation as a paper and board company*
> *[mI#2]*   *Communicating a clear and focused portfolio of core products and businesses to investors and analysts*
> *[mI#3]*   *Emphasizing the corporation's brands to investors and analysts*
> *[mI#4]*   *Signalling renewal to analysts and investors*
> *[mI#5]*   *Developing and maintaining strong product brands and brand families*
> *[mI#6]*   *Emphasizing to customers the corporation's offering of a wide product range rather than that of individual products*
> *[mI#7]*   *Emphasizing to customers the corporation's offering of large volume supply reliability rather than that of products*
> *[mI#8]*   *Increasing (direct) customer awareness of the corporation as a paper and board supplier*
> *[mI#9]*   *Emphasizing to customers the corporation's offering of services rather than that of products*
> *[mI#10]*   *Having employees adopt a way of working with initiative and a proactive customer-helping attitude*
> *[mI#11]*   *Emphasizing to customers the corporation's offering of solution help rather than that of products*
> *[mI#12]*   *Increasing potential employee awareness of the corporation*
> *[mI#13]*   *Communicating an image of the corporation's behaviour as environmentally responsible*
> *[mI#14]*   *Having employees adopt a way of working with environmentally and socially responsible attitude*
> *[mI#15](m&a) Making (direct) customers indifferent of which mill produces the products*
> *[mI#16](m&a) Reducing salespeople and customer confusion, preventing cannibalization of sales, and eliminating competing promotion among the corporation's products*
> *[mI#17](m&a) Committing managers to corporate strategies and goals*
> *[mI#18](m&a) Having employees identify themselves with and be proud of the corporation*

[Research question 2:]: The management practices of corporate branding in which the management of the Finnish P&P corporations mainly became interested were:

> *[1st phase]*
>> *[mP#1]*   *Having one brand name – that does not refer to a mill name – for the same product produced at different mills*
>> *[mP#2]*   *Having products offered to a customer group or for an end use in a brand family*
> *[2nd phase]*
>> *[mP#3]*   *Having core business brands and brand families in a corporate master brand family*
>> *[mP#4]*   *Having core business units and sales offices under the corporate identity*
> *[Negotiations to 1st and 2nd phases]*
>> *[mP#5]*   *Having core business brands and brand families in a corporate master brand family based on visuality*
>> *[mP#6]*   *Having products offered to a customer group or end use in sub-brand families based on visuality and grouping*
>> *[mP#7]*   *Focusing the promotion of products sold via intermediaries on few sub-brands and sub-brand families*
> *[3rd phase]*
>> *[mP#8]*   *Defining values (identity) and slogans for the corporate brand*
>> *[mP#9]*   *Communicating to and training employees about the defined corporate brand values and slogans*
>> *[mP#10]*   *Introducing the corporate brand values with a refined corporate name and visual identity*
>> *[mP#11]*   *Continuously communicating about and according to the corporate brand values employees and externally; using value feed back systems*

Table 10, in turn, summarizes the main management interests that were "Othered" by the management practices of corporate branding. The Table compactly addresses research question 4, "What management interests were Othered by the management practices of corporate branding in the Finnish P&P corporations?". The grey colour of a cell in the Table and the note "Oth." indicate that the management practice of the column Othered the management interest on the row.

Table 9: [Research question 3 (and 1 & 2):] *Management interests translated to management practices of corporate branding.*

Management interest in corporate branding		Management practice of corporate branding											Customers	Investors, investment analysts	Own employees and managers	Potential employees
		1st phase		2nd phase		(Negotiations to 1st and 2nd phases)			3nd phase							
		mP#1	mP#2	mP#3	mP#4	mP#5	mP#6	mP#7	mP#8	mP#9	mP#10	mP#11				
		Having one brand name – that does not refer to a mill name - for the same product produced at different mills	Having products offered to a customer group or end use in a brand family	Having core business brands and brand families in a corporate master brand family	Having core business units and sales offices under the corporate identity	Having core business brands and brand families in a corporate master brand family based on visuality	Having products offered to a customer group or end use in sub-brand families based on visuality and grouping	Focusing promotion of products sold via intermediaries on few sub-brands and sub-brand families	Defining values (identity) and slogans for the corporate brand	Communicating to and training employees about the defined corporate brand values and slogans	Introducing the corporate brand values with a refined corporate name and visual identity	Continuously communicating about and according to the corporate brand values employees and externally, use of value feed back systems				
mI#15 (m&a)	Making (direct) customers indifferent of which mill produced the products	transl.		transl.		transl.		transl.					■			
mI#16 (m&a)	Reducing salespeople and customer confusion, preventing cannibalization of sales, and eliminating competing promotion	transl.	transl.				transl.	transl.					■			
mI#6	Emphasizing to customers the corporation's offering of a wide product range rather than that of individual products	transl.	transl.	transl.		transl.	transl.	transl.					■			
mI#2	Communicating a clear and focused portfolio of core products and businesses to investors and analysts	transl.	transl.	transl.	transl.	transl.	transl.	transl.						■		
mI#3	Emphasizing the corporation's brands to investors and analysts	transl.	transl.				transl.	transl.						■		
mI#18 (m&a)	Having employees identify themselves with and be proud of the corporation	transl.	transl.	transl.	transl.	transl.	transl.	transl.	transl.	transl.	transl.	transl.			■	
mI#5	Developing and maintaining strong product brands and brand families	transl.	transl.	transl.		transl.	transl.	transl.					■			

ID	Item															
mI#8	Increasing (direct) customer awareness of the corporation as a paper and board supplier			transl.	transl.	transl.										
mI#7	Emphasizing to customers the corporation's offering of large volume supply reliability rather than that of products			transl.		transl.										
mI#9	Emphasizing to customers the corporation's offering of services rather than that of products			transl.		transl.										
mI#1	Increasing investor awareness of the corporation as a paper and board company			transl.	transl.	transl.										
mI#12	Increasing potential employee awareness of the corporation			transl.	transl.	transl.										
mI#17 (m&a)	Committing managers to corporate strategies and goals									transl.						
mI#10	Having employees adopt a way of working with initiative and a proactive customer-helping attitude									transl.	transl.	transl.	transl.			
mI#11	Emphasizing to customers the corporation's offering of solution help rather than that of products			transl.		transl.				transl.	transl.	transl.	transl.			
mI#14	Having employees adopt a way of working with environmentally and socially responsible attitude									transl.	transl.	transl.	transl.			
mI#13	Communicating an image of the corporation' behaviour as environmentally and socially responsible									transl.	transl.	transl.	transl.			
mI#4	Signalling renewal to analysts and investors									transl.		transl.				

Table 10: [Research question 4:] *Management interests Othered by corporate branding.*

Management interest Othered in corporate branding	Management practices of corporate branding												Customers	Investors, investment analysts	Own employees and managers
	1st phase		2nd phase		(Negotiations to 1st and 2nd phases)			3nd phase							
	mP#1	mP#2	mP#3	mP#4	mP#5	mP#6	mP#7	mP#8	mP#9	mP#10	mP#11				
	Having one brand name – that does not refer to a mill name – for the same product produced at different mills	Having products offered to a customer group or for an end use in a brand family	Having core business brands and brand families in a corporate master brand family	Having core business units and sales office under the corporate identity	Having core business brands and brand families in a corporate master brand family based on visuality	Having products offered to a customer group or for an end use in sub-brand families based on visuality and grouping	Focusing promotion of products sold via intermediaries on few sub-brands and sub-brand families	Defining values (identity) and slogans for the corporate brand	Communicating to and training employees about the defined corporate brand values and slogans	Introducing the corporate brand values with a refined corporate name and visual identity	Continuously communicating about and according to the corporate brand values employees and externally, use of value feed back systems				
Communicating differentiation of products to customers		Oth.	Oth.		Oth.	Oth.		Oth.			Oth.		▉		
Communicating differences in products sold to the same customers		Oth.	Oth.		Oth.	Oth.		Oth.			Oth.		▉		
Decreasing vulnerability to criticism and scandals around the corporation			Oth.		Oth.								▉		
Avoiding problems from corporate name changes in the case of mergers and acquisitions			Oth.		Oth.								▉		
Making customers' repeat purchases simple	Oth.	Oth.	Oth.		Oth.			Oth.			Oth.		▉		
Retaining local identification of employees	Oth.	Oth.	Oth.	Oth.											▉
Maintaining (sales) alliances with other corporations				Oth.											

Communicating different offerings to different customers							Oth.			Oth.			
Communicating differentiation to customers							Oth.			Oth.			
Supporting existing business and sales of products							Oth.			Oth.			
Maintaining existing management processes							Oth.			Oth.			
Maintaining credibility of top managers and objectives among employees													
Managers' leaving visible signs of themselves and making changes to work done by preceding management							Oth.		Oth.	Oth.			

14   Discussion and Conclusions

In this Chapter I first present, in sub-chapter 14.1, conclusions about the management practices in which the management of the Finnish P&P corporations became interested (14.1.1), about the management interests that were translated into the management practices (14.1.2), and about particular translations of certain management interests to certain management practices of corporate branding (14.1.3). Discussing the management practices, interests, and translations found in the Description mainly in relation to earlier branding and corporate branding research, I particularly emphasize such aspects of the management practices, management interests, and translations to which the earlier work has paid somewhat little attention.

In sub-chapter 14.2, in sections 14.2.1 and 14.2.2, I somewhat raise the abstraction level and present further conclusions. With discussion in relation to marketing research, I present my conclusions concerning the management interests in corporate branding in the Finnish P&P corporations as reflecting interests in managing different stakeholder relationships of the corporation and in marketing the corporation. These are the main conclusions of my Thesis.

In sub-chapter 14.3, I return to discussing and making conclusions about the effect of the management interest in corporate branding on the power relations in management of the P&P corporations. Finally, in sub-chapter 14.4, I discuss the management becoming interested in corporate branding as an instance of the adoption of a new management concept, in relation to earlier general management and organization research. Specifically, I conclude an integral, matrix-like nature of the translations related to the management interest in corporate branding.

Besides discussing the findings and grounding the conclusions in this Chapter, I present the conclusions briefly *in italics*.

14.1 Management practices of and interests in corporate branding

14.1.1 Management practices per se

In this section, I present my conclusions about the management *practices* in which the management of the Finnish P&P corporations became interested. Discussing the management interests found in the Description in relation to earlier work concerning (B2B) branding and corporate branding, I particularly emphasize such aspects of the management practices to which the earlier work has paid somewhat little attention. In this section, I discuss merely the management practices *per se,* not what management interests the practices would serve or be translations of.

Individual management practices

Use of (corporate) names and symbols important. Looking into the individual management practices in which the management of the Finnish P&P corporations became interested, notes can be made relative to earlier research and work related to corporate branding. Although it seems intuitively strange – given that "brands" are traditionally seen to refer to product names or trademarks –, recall that researchers have shifted their attention *away* from dealing with how managers can, through the use of corporate brand name and symbols in association with

products, shape or benefit from corporate images in selling products to customers. Indeed, concentrating on how corporate images can be shaped and benefited from in general – particularly shaped – researchers seem to increasingly de-emphasize the role of corporate names, logos, and other visual symbols, and even the role of products and services offered by the corporation and the corporation's marketing communications (e.g. de Chernatony 2001; Harris and de Chernatony 2001; Hatch and Schultz 2001, 2003; Wilson 2001; Balmer and Soenen 1999). Instead, the importance of all the communications of the corporation, including internal communications, and the shaping of organizational culture, or employees' behaviour, in creating desired brand images in stakeholders' minds have come to be strongly emphasized. Also the importance of strategic vision about the brand images, or aspirational images or values, stemming from corporate strategies and visions, has come to be stressed (de Chernatony 2001; Hatch and Schultz 2003), as well as a holistic, integrative, multi-disciplinary, organization-wide support from the CEO to the lowest level (e.g. King 1991; Balmer 2001; Hatch and Schultz 2003).

In some of the management practices in which the management of the Finnish P&P corporations became interested, particularly in the "3rd phase", aspirational image values linked to corporate strategies, internal, as well as external communication, and the shaping of employee behaviour clearly had important roles. Nevertheless, there were numerous management practices (1st and 2nd phases) in which an important role was given to the use of names and symbols in association with e.g. products and business units and communication about and by them, and particularly to the use of the *corporate* name and symbols. This is significant in the light of the fact that the role of the latter has been recently paid less attention to in work concerning corporate branding. My conclusion is:

> *In the management practices, in which the management of the Finnish P&P corporations became interested, aspirational brand images linked to corporate strategies, internal and external communication, and the shaping of employee behaviour had important roles. Nevertheless, a central role was also given to the use of names and symbols in association with e.g. products and units of the corporations and communication related to them – particularly to the wide use of the corporate name and symbols.*

Managing brand hierarchy with emphasis on corporate dominance and endorsement. The important role given to the use of names and symbols in association with e.g. products and units of the corporations and the related communication suggests that managing what can be called "brand hierarchy" or "brand architecture" of the brand portfolio (e.g. Keller 1998; Aaker and Joachimsthaler 2000) was central in corporate branding in the Finnish P&P corporations at the turn of the century. Particularly, the renamings of products were done so that the same product produced by different mills as a result of mergers and acquisitions and the increased number of machines would mainly be given one brand name. Also, brand families were formed, usually for products sold to certain customers and/or for a certain end-use. Further, the P&P corporations aspiring to use the corporate name as a dominant element in product brand names suggests, in researchers' terms (e.g. Keller 2003; Gray and Smeltzer 1985), a strategy for *corporate dominance* in corporate/product relationships. More precisely, the fact that sometimes the corporate name was to be used as a more dominant and sometimes as a less dominant element relative to product brands suggests a *mixed dominance* strategy (Keller 2003; Gray and Smeltzer 1985). More product brand dominance would be used particularly in relation to products sold also to consumers or non-expert buyers. Nevertheless, it should be noted that even strong

dominance was often sought by not directly including the corporate name as part of the brand names but only having it appear e.g. the packaging, signage, and promotional materials (UPM-Kymmene being an exception). This means that, in the Finnish P&P corporations, *corporate brand endorsement* strategy (e.g. Keller 2003) was largely used to realize corporate dominance. Finally, it can be noted that the longer-term strategic goal of the corporations was the corporation as a *branded house* (see e.g. Aaker and Joachimsthaler 2000), with decreasing emphasis and visibility for individual product brand names. My conclusions are:

> *In corporate branding, the management of the Finnish P&P corporations was interested in managing the brand hierarchy of the brand portfolio.*

> *Particularly, in managing the brand hierarchy, products would be (re)named so that the same product produced by different mills would be given one brand name. Also, brand families would be formed for products sold to certain customers and for certain end-uses.*

> *Managing the brand hierarchy involved a strategy of mixed dominance in corporate/product relationships. Corporate brand dominance would be largely aspired but more product brand dominance would be allowed particularly in relation to products sold also to consumers or non-expert buyers via intermediaries. Nevertheless, even strong corporate brand dominance would often be realized by corporate brand endorsement, rather than by actually including the corporate name as part of the brand names.*

> *In corporate branding and managing the brand hierarchy, the management of the Finnish P&P corporations were interested in making the corporation largely a branded house in the long-term.*

It should be noted that the interest in having brands in a corporate master brand family based on endorsement – rather than having the brand names share the corporate name – was largely a response to problems in making core business brands belong to a corporate master brand family by changing existing brand names and making the corporate name part of brand names. Problems in changing existing brand names emerged particularly in relation to products sold via merchants: these intermediaries were reluctant to accept changes in existing brand names and demanded to have exclusivity in selling certain brands in certain market areas. Problems in making the corporate name part of brand names also emerged particularly in relation to products sold via merchants: they could be reluctant to sell products with the names of producer companies as part of brand names, e.g. to prevent customers from increasingly trusting in the producers rather than in the merchants themselves. So, having brands in a corporate master brand family based on endorsement was a way to have brands in a corporate master brand family without running into problems due to having the corporate name as part of brand names. Earlier branding and corporate branding research remains rather silent on this kind of strategy. My conclusion is:

> *In corporate branding, the management of Finnish P&P corporations was interested in having brands related to products sold via merchants in a corporate master brand family by way of endorsement – not by way of having the corporate name as part of the brand names. This would overcome problems e.g. due to merchants' reluctance to accept changes in existing brand names, demands of exclusivity in selling a certain brand name in certain market areas, and the reluctance to sell products with the name of the producer company as part of brand names.*

Use of (corporate) name and symbols also with mills, sales offices, and other units. Concerning the use of corporate name and symbols, it can be noted that beyond product names, corporate dominance was also pursued in association to the names of mills, sales offices, subsidiaries, and business units. Especially, mills, sales offices, subsidiaries, and business units obtained in mergers and acquisitions would be put under the corporate identity, either by eliminating independent names and symbols altogether or by having the corporate name as part of the names. Particularly when it comes to the names of mills and sales offices, existing corporate branding research has largely remained silent, while discussing mostly the use of the corporate name in association to brand names of products and other offerings to customers. My conclusion is:

> *In corporate branding and managing the brand hierarchy, the management of the Finnish P&P corporations was interested in corporate dominance, or taking into use the corporate name and symbols, not only in association with products but also with production units, subsidiaries, and sales offices, particularly with those obtained in mergers and acquisitions.*

Corporate name dominance only in core businesses and products. Concerning the use of corporate name and symbols further, it can be noted that corporate dominance was often *not* pursued in association with the names of business units and products that were considered as less core business units or products. This is a management practice that earlier branding research has been rather silent on. My conclusion is:

> *In corporate branding and managing the brand hierarchy, the management of the Finnish P&P corporations was interested in not having corporate dominance, or making corporate name and symbols dominant, in association with such business units and products which were not considered to be core business units or products.*

Brand families not based on common part of brand names. When it comes to individual product brands, in turn, it can be noted that some product brand families were formed by reducing differences in the visual identities of brand and brand family names/logos, as well as those of the related products promotion materials, wrappings and packages, and product labels; by presenting the brands grouped together in the promotional materials; and by having an additional brand family name for the products, or product brands, to be presented also in the promotional materials. Examples included "UPM Mail" and "Stora Enso Food Packaging Boards". The product brand names in the family could, on the other hand, remain rather heterogeneous and actually belong to many of these kinds of brand families. This kind of formation of brand families is something that earlier research, which tends to emphasize the common part of brand names, remains rather silent. My conclusion is:

> *In corporate branding and managing the brand hierarchy, the management was interested in forming product brand families not only by having the brand names share a common part but also by merely reducing differences in the visual identities of brand names/logos, as well as those of the related product communications materials; by presenting the brands grouped together in the promotional materials; and by having an additional brand family name for the products, or product brands, also to be presented in the promotional materials. The additional brand family name could describe the end use or customer group of the products and also incorporate the corporate name, whereas the product brand names in the family could remain rather heterogeneous and actually belong to many of these kinds of brand families.*

It should be noted that the interest in having products offered to a customer group or for an end use in sub-brand families based on visuality, grouping, and additional brand family names was partly a response to problems in having products offered to a customer group or for an end use in a brand family by changing existing brand names and/or having the corporate name as part of the brand names, particularly when it comes to products sold via merchants. Also, it was partly a response to problems from having the brand names differ according to customer groups or end-uses. Namely, a certain product could be used by many customer groups for many end-uses. Having different brands for the same product according to the different customer groups or end-uses it was sold to would potentially create confusion among customers and salespeople, as well as excessive costs. Thus, having the brand names differ according to customer groups or end-uses would not necessarily be feasible if the same products were sold to several customer groups or for several end-uses. On the other hand, when sub-brand families were based on visuality, grouping, and additional brand family names, a certain brand name could belong to several brand families. Earlier branding and corporate branding research remains rather silent on this kind of strategy. My conclusion is:

> *The management of Finnish P&P corporations was interested in having products offered to a customer group or for an end use grouped into brand families through visuality, grouping, and additional brand family names – not necessarily through an own brand name for a product sold to a certain customer group or for certain end-uses. This would overcome problems from having different brands for the same product according to the different customer groups or end-uses it was sold to.*

Focusing promotion efforts on one or few brands per product. Finally, it can be noted that promotion efforts across market areas would often be concentrated heavily on one or few brands per a certain product although quite the same product could be sold and promoted to some extent locally in certain market areas with several other brands owned by the corporation. This concerned particularly products sold via intermediaries. A strong local brand of a certain product could be promoted to a small or moderate extent in the local market area or the promotion could be left for the local merchant to handle exclusively. On the other hand, promotion efforts could be heavily focused on a stronger general brand to be sold across market areas, also in the above market area. This way, to the customers in one market area, basically a maximum of one or two of the corporations' own brands would be promoted per product – not the brands that were possibly strong in other market areas. Further, in promotion not targeted at customers in specific market areas, such as in company magazines and websites, only the brand sold across market areas would be promoted. This is a management practice which earlier branding research is quite silent on. My conclusion is:

> *In corporate branding, particularly with products sold via intermediaries, the management was interested in concentrating promotion efforts on one brand per product although quite the same product could be sold and promoted to some extent locally in certain market areas with several other brands owned by the corporation. In the promotion not targeted at customers in specific market areas but more generally, only the brand sold across market areas would be promoted. To local customers within a market area, the same product could be promoted by or together with intermediaries also with another (locally strong) brand.*

It should be noted that the interest in focusing promotion of products sold via intermediaries on one or few brands per product was largely also a response to

problems with merchants in changing brand names and being forced to retain multiple local brand names for single products. Namely, for a certain product, focusing promotion heavily on one stronger general brand to be sold across market areas would mean that a customer, investor, or employee would encounter the promotion of only one or few brands per product, even if quite the same product could be sold and promoted to some extent locally in different market areas with several brands owned by the corporation. Earlier branding and corporate branding research remains rather silent on this kind of strategy. My conclusion is:

> *The management of Finnish the P&P corporations was interested in having a customer, investor, or employee preferably encounter promotion of only one brand per product by focusing promotion of a product sold via intermediaries on one brand sold across market areas – even if the same product was sold and even promoted to some extent with several brand names in different local market areas. This would overcome problems e.g. due to merchants' reluctance to accept changes in existing brand names, demands of exclusivity in selling a certain brand name in certain market areas, and reluctance to sell products with the name of the producer company as part of the brand names.*

Integrality of management practices

Taking into account that the management of the Finnish P&P corporations became interested in the various practices somewhat simultaneously and that they were all considered important in corporate branding suggests that the management would not necessarily have been interested in only one or few of the individual management practices. It can be noted that even if managers may have become interested in the management practices related to managing the brand hierarchy of the brand portfolio (~1st phase) before becoming interested in the management practices related to having corporate name dominance in product brands, mills, sales offices, units, etc. (~2nd phase) and that they may have become interested in these management practices before becoming interested in the management practices related to defining and communicating aspirational brand image values (~3rd phase), the management was not interested strongly in corporate branding until the interests in all these management practices were starting to be strong. While earlier research concerning corporate branding may emphasize the role of any of these management practices, individual pieces of research usually emphasize only one of them. Earlier research has remained silent on the fact that in individual corporations, management interest in corporate branding may integrally involve all these interest in all these management practices. My conclusion is:

> *The management of the Finnish P&P corporations became somewhat integrally interested in management practices of corporate branding related to (1) managing the brand hierarchy of the brand portfolio; (2) corporate name dominance in association to product brand, mills, sales offices, units, etc.; and (3) definition and communication of aspirational brand identity/image values linked to corporate strategies. All the three aspects were important for the management to become interested in corporate branding.*

14.1.2 Management interests per se

In this section, I present conclusions about the management *interests* that were translated to management practices of corporate branding in the Finnish P&P corporations. Here, it is relevant to recall the intriguing, even paradoxical nature of the riddle of the study.

First, to the extent that corporate branding is considered to relate to marketing to customers – as branding usually is – there is some paradoxical nature in the question why the management of B2B companies would become interested in corporate branding. On the one hand, it is a commonly held view that managers of B2B companies are not usually very interested in "branding". So, why would the management of B2B companies become interested in "corporate branding"? On the other hand, managers of B2B companies have arguably always been interested in their companies' reputation or image as suppliers (e.g. Levitt 1965; Lehmann and O'Shaughnessy 1974; Möller and Laaksonen 1986; Shaw, Giglierano and Kallis 1989; Kauffmann 1994). Since "corporate brand" appears fairly synonymous to "company reputation/image", and if B2B companies are assumed to have always been interested in it, why would the management of B2B companies suddenly become interested in "corporate branding"?

Second, it can be recognized that ever since "company branding" or "corporate branding" were first explicitly discussed by consultants and researchers (e.g. Bernstein, 1989; Balmer, 1995, King, 1991), corporate branding has been seen to be about managing and creating positive images of the company also in the minds of stakeholders other than customers. However, it seems unlikely that the managers of any company would become interested in "corporate branding" in order to e.g. make "all stakeholders have a positive image of the company" in a vague and all-embracing way. Rather, it is likely that they become interested in certain management practices of corporate branding, as these are considered to serve certain specific interests related to certain stakeholders.

To reflect these issues, when discussing, in this section, the management interests that would be served by the management practices of corporate branding in the Finnish P&P corporations, I discuss the management interests related to customers, on the one hand, and other stakeholders, on the other, respectively. Note also that in this section, I discuss mostly the management interests per se, not so much to what management practices were translations of the interests.

Individual management interests related to customers

Reflecting the found management interests in corporate branding to earlier research, it can be noted that some of the interests correspond to commonplace notions about the benefits or effects of corporate branding concerning customers. They are referred to in, for instance, basic handbooks that discuss branding and corporate branding (e.g. Aaker 1996; Aaker and Joachimsthaler 2000; Kapferer 1997; Keller 1998). These interests include particularly the following:

> Developing and maintaining strong product brands and brand families;
> Increasing (direct) customer awareness of the corporation as a paper and board supplier;
> Reducing salespeople and customer confusion, preventing cannibalization of sales, and eliminating competing promotion among the corporation's products.

On the other hand, there were also such management interests related to customers which involved aspects to which earlier research has paid less attention to. I discuss these next.

De-emphasizing the offering of products, emphasizing the offering of whole product range, supply reliability, and services. Earlier research concerning industrial branding (e.g. Bendixen et al. 2004; Michell et al. 2001; Mudambi 2002; Taylor, Celuch, and Goodwin 2004; Thompson, Knox, and Michell 1998),

emphasizes, in some measure, the importance of the corporate brand for B2B companies due to the emphasis customers put on the company's reliability as a supplier and on service elements, such as delivery times. Relative to this, it is a consistent finding that, in corporate branding, the management of Finnish P&P corporations had the interests in emphasizing to customers the corporation's offering of services, supply reliability, and solutions help rather than the offering of products. Nevertheless, earlier research does not reflect much on some specific issues concerning the interests related to communication about the corporation's offering of products and services. First, earlier research does not reflect much the interest in actually de-emphasizing individual products as the offering of the corporation. Second, although the brand extension discussion deals with branding in relation to introducing new products to the product range of a company, earlier research does not much reflect the interest in emphasizing the whole, currently wide product range as the offering of the corporation to individual customers. Third, earlier research does not reflect much the interest in communicating about specific services as the offering. My conclusion is:

> In corporate branding, the management of the Finnish P&P corporations was interested in communicating and emphasizing to customers that the corporation's offering was not so much about sales of individual products – traditionally bulky and commodity-like in nature. Rather, it would be emphasized that the offering was about the wide product range and the large volume supply reliability to different locations, as well as about services, such as shorter delivery times and smaller order sizes, and joint research projects and customized products, as well as help in specifying customers' paper- and board-related business needs and problems in more detail and in finding optimal product and service solutions.

Interest in having employees adopt a way of working with a certain attitude.
When it comes to help in specifying customers' business needs and problems in more detail and in finding optimal product and service solutions, further notes can be made in the light of earlier research concerning B2B corporate branding. Researchers (e.g. Lynch and de Chernatony 2004), have started to emphasize the importance, to B2B companies willing to offer service and help to customers and engaging in corporate branding, of having their employees adopt a proactive customer-helping attitude and communicating about this. This seems somewhat consistent with the finding that the management of the Finnish P&P corporations was interested, in corporate branding, in having employees adopt a way of working with initiative and a proactive customer-helping attitude and in emphasizing to customers the corporation's offering of solutions rather than that of products. Nevertheless, the management was also interested in having employees adopt more of another attitude, i.e. that of environmentally and socially responsibility. My conclusion is:

> In corporate branding, the management of the Finnish P&P corporations were interested in having employees adopt ways of working with certain attitudes, such as a proactive customer-helping attitude and an environmentally and socially responsible attitude.

Making customers indifferent of which mill produces the products. Whereas the above management interests in corporate branding have been in some measure reflected in earlier research, it can be noted that the management interest in making customers indifferent of which mill produces the products has not practically been referred to at all in earlier corporate branding research. Concerning customers, my conclusion is:

In corporate branding, the management of the Finnish P&P corporations had also the following interest related to customers: Making (direct) customers indifferent of which mill produces the products.

Individual management interests related to other stakeholders

Concerning the corporate branding interests related to *other stakeholders* than customers, it can be noted that there were interests particularly related to investors and investment analysts and the corporation's own employees and managers, as well as potential employees. Although earlier research has in some measure posited that corporate branding relates to various stakeholders, any specific interests which managers of specific (B2B) corporations would have in corporate branding have not been discussed much.

Interests related to investors and analysts. Concerning specific interests related to investors and analysts, my conclusion is:

In corporate branding, the management of the Finnish P&P corporations had the following interests related to investors and investment analysts:
> *Increasing investor awareness of the corporation as a paper and board company*
> *Emphasizing the corporation's brands to investors and analysts*
> *Communicating a clear and focused portfolio of core products and businesses to investors and analysts*
> *Signalling renewal to analysts and investors*

Interests related to own employees and managers. Concerning specific interests related to the corporation's own employees and managers, my conclusion is:

In corporate branding, the management of the Finnish P&P corporations had the following interest related to the corporation's own employees and managers:
> *Having employees identify themselves with and be proud of the corporation*
> *Committing managers to corporate strategies and goals*
> *Having employees adopt a way of working with initiative and a proactive customer-helping attitude*
> *Having employees adopt a way of working with environmentally and socially responsible attitude*

Interests related to potential employees. Concerning specific interests related to potential employees, my conclusion is:

In corporate branding, the management of the Finnish P&P corporations had the following interest related to potential employees:
> *Increasing potential employee awareness of the corporation as an employer*

Below, in sections 14.1.3 and 14.2, I will further discuss the interests related to investors and analysts, the corporation's own employees and managers, and potential employees.

Integrality of management interests

Looking into the management interests in corporate branding in Finnish P&P corporations, it can be noted that the management did not become strongly interested in corporate branding until most or all the interests had emerged strong by the early 2000s. This suggests that the interests were all important in the management becoming interested in corporate branding. It also suggests that the

management would not necessarily have become interested in corporate branding if many of the interests had not been present. While earlier research concerning corporate branding has referred to, in some measure, many of the management interests, it has not pointed out that in individual companies, management interest in corporate branding may integrally involve many or all of these interests. My conclusion is:

> The management of the Finnish P&P corporations became interested in corporate branding, as there were various strong management interests by the early 2000s that could be integrally translated to the various management practices of corporate branding.

14.1.3 Translations of management interests to management practices

In this section, I present conclusions about particular translations of certain management interests to certain management practices of corporate branding in the Finnish P&P corporations. Discussing the translations found in the Description in relation to earlier work concerning (B2B) branding and corporate branding, I particularly emphasize such translations to which the earlier work has paid somewhat little attention. Moreover, concerning one particular management practice, i.e. focusing promotion of products sold via intermediaries on one or few brands per product, I come to an interesting conclusion by discussing general management and organizational research and institutional theory: I conclude it an instance of decoupling (e.g. Meyer and Rowan 1977; Westphal and Zajac 2001).

Individual translations of management interests into management practices

First, conclusions can be presented concerning the translations of those individual management interests which I mentioned above as practically not having been referred to much in earlier corporate branding research.

Making customers indifferent of which mill produces the products. When it comes to customers, concerning the interest in making (direct) customers indifferent of which mill produces the product, my conclusion is:

> In corporate branding, the management interest in making customers indifferent of which mill produces the products could be, first, translated to having the same products produced by different mills at a similar quality level sold with one and the same brand name – a name which would not refer to any mill name. This would signal to the customers that the products would be largely interchangeable.

> Second, the interest in making customers indifferent of which mill produces the products could be translated to having the brands in a corporate master brand family based on endorsement or the corporate name as an actual part of the brand name. The corporate name as a master brand would further signal to the customers that it would be the corporation – not a mill - which was guaranteeing the quality of the products.

Emphasizing the corporation's brands to investors and analysts. When it comes to investors and analysts, concerning the interest in emphasizing brands to investors and analysts, my conclusion is:

> In corporate branding, the management interest in emphasizing the corporation's brands to investors and analysts could be, first, translated to having the same

products produced by different mills promoted and sold with one brand name that would not refer to any mill name. Presenting these kinds of brand names to investors and analysts would give them the impression that the names were more like strong brands rather than mere identifiers of products. This concerned especially products sold to direct customers, where the strength of the brand names among customers was actually quite marginal, these customers trusting primarily the supplier mills or companies and technical specifications of the products, rather than brand names.

Second, the interest in emphasizing the brands to investors and analysts could be translated to having products offered to certain customer groups or for certain end uses promoted and sold in brand families. Presenting few brand family names to investors and analysts would further give them the impression that these few family names were strong brands of the corporation.

Third, the interest in emphasizing the brands to investors and analysts could be translated into focusing the promotion of products sold via intermediaries on one or few brands per product. Investors and analysts would encounter promotion of only one brand per product, in e.g. company magazines and websites, and their impression of the strength of this brand would not be questioned by it becoming evident that the product was sold and promoted actually with numerous brand names of the corporation, in different local market areas. Moreover, little attention would be paid to the fact that beyond these own brand names, some 70–80 percent of the production of the product could be sold with many private label brands of merchants.

Note that the third management practice above, taking into account that the practice of focusing promotion of products on one or few brands per product served the interest in emphasizing the corporation's brands to investors, can actually be considered as an instance of "decoupling", a phenomenon conceptualized by institutional theorists (e.g. Meyer and Rowan 1977; Zbaracki 1998; Delucchi 2000; Westphal and Zajac 2001), in the sense that the organization's observable aspects (formal structures) and actual activities – what informally goes on – deviate from each other. Whereas the formal and observable structures and aspects are seen to provide organizations with institutional legitimacy, the decoupled actual activities are seen to provide them with operational efficiency (e.g. Meyer and Rowan 1977; Westphal and Zajac 2001). If investors prefer the corporation to have strong brands and the corporation, with interest in emphasizing the corporation's brands to investors, gives them impression that it has a collection of a few (strong) brands, it can be considered to pursue legitimacy. But if the corporation does this by concealing that it actually sells single products with multiple brand names and the majority of the production is not even sold with its own brand names – so that the strength of the brands would not be questioned –, it can be considered to engage in decoupling. My conclusion is:

The corporate branding practice of focusing promotion of products sold via intermediaries on one or few brands per product was an instance of decoupling in that e.g. investors would be made to observe the corporation as having a few strong brands – a potential source of legitimacy – but it would be concealed that the corporation actually sold products with multiple brand names and that the majority of the production was actually not even sold with the corporation's own brand names, but those of merchants' private labels.

Communicating a focused and coherent portfolio of core businesses and products to investors and analysts. Concerning the interest in communicating a focused and coherent portfolio of core businesses and products to investors and analysts, my conclusion is:

In corporate branding, the management interest in communicating a clear and focused portfolio of core businesses and products to investors and analysts could be, first, translated to having the same products produced by different mills promoted and sold with one brand name. Presenting these kinds of brand names to investors and analysts would give them a clearer picture of the product portfolio of the corporation and would make them perceive it as more focused.

Second, the interest in communicating a clear and focused portfolio of core businesses and products to investors and analysts could be translated to having products offered to certain customer groups or for certain end uses promoted and sold in brand families. Presenting products and product brands structured into these kinds of brand families would further give them a clearer picture of the product portfolio of the corporation and would make them perceive it as more focused.

Third, the interest in communicating a clear and focused portfolio of core businesses and products to investors and analysts could be translated to focusing the promotion of products sold via intermediaries on one or few brands per product. Investors and analysts would encounter promotion of only one brand per product and they would not get an unclear picture of the product portfolio of the corporation or perceive it as unfocused due to a myriad of brand names being promoted.

Note that we can, again, refer to decoupling with respect to focusing promotion of products on one or few brands per product. Now only the source of legitimacy can be considered to be the clear and focused portfolio of products reflected in the product brand portfolio observed as being clear and coherent by investors. Again the observable product brand portfolio would be, to some extent, decoupled from the actual.

The corporate branding practice of focusing promotion of products sold via intermediaries on one or few brands per product was an instance of decoupling in that e.g. investors would be made observe the corporation as having a clear and focused brand portfolio – a potential source of legitimacy – but it would be concealed that the brand portfolio of the corporation was actually rather unclear and unfocused.

Signalling renewal to investors and analysts. Concerning the interest in signalling renewal to investors and analysts, my conclusion is:

In corporate branding, the management interest in signalling renewal to investors and analysts could be translated to introducing the corporate brand values with a refined corporate name and identity. The management introducing newly-defined brand values to analysts and investors as new objectives guiding the corporation would signal to investors and analysts that the management was renewing the corporation in a dynamic way. Further, introducing a refined corporate name and visual identity would further strengthen the signal as symbols of the renewal.

Committing managers to corporate strategies and goals. When it comes to employees and managers, concerning the interest in committing managers to corporate strategies and goals, my conclusion becomes:

In corporate branding, the management interest in committing managers to corporate strategies and goals could be translated to defining values and identity for the corporate brand and defining brand slogans. The top and upper managers would get to ponder the formulation of corporate strategies and goals at the same time when they would get to ponder what kind of values and slogans should be defined for the corporation. Also the latter would be about formulating goals for the corporation.

Being personally involved in pondering and formulating strategies and goals of the corporation would make the managers more committed to them.

Furthermore, there were some other ***specific*** translations of management interests in corporate branding in the Finnish P&P corporations concerning which notes can be made in the light of the earlier work concerning branding and corporate branding.

Use of (corporate) name and symbols – Interest in having employees identify themselves with and be proud of the corporation. First, it can be noted that the management interest in having employees identify themselves with and be proud of the corporation was translated to many management practices related to the use of names and symbols in association with e.g. products and units of the corporations and communication related to them. These included e.g. having brands in a corporate master brand family, having business units and sales offices under the corporate identity, and focusing the promotion of products sold via intermediaries on one or few brands per product. While earlier research has to some extent highlighted the importance of employees being proud of the company's brand (e.g. Macrae 1999), the role of the use of names and symbols in association with e.g. products and units of the corporations in having the employees identify and be proud of the corporation has received less emphasis. My conclusion is:

> *In corporate branding in the Finnish P&P corporations, management practices related to the use of names and symbols – particularly the corporate name and symbols – in association with e.g. products, mills, sales offices, and other units of the corporation were translations of the management interest in having the employees identify themselves with and be proud of the corporation and e.g. reducing change resistance and sub-optimization behaviour.*

Visibility of the corporate name in consumer products – Interest in increasing investor and potential employee awareness. Second, it can be noted that the interests in increasing investor awareness of the corporation as a paper and board company and in increasing potential employee awareness of the corporation were translated to having brands and brand families in a corporate master brand family. Having the corporate name and/or logo placed quite visibly in ream wrappings and boxes, labels, and promotion materials of office paper products sold with brands owned by the corporation and eventually ending up to the people at ordinary companies, public institutions, and homes would make these people considerably more aware of the corporation as a paper company. Since these people would be potential private investors and potential employees, the awareness of investors would increase simultaneously. Actually, it can be noted, that in this translation of interest in corporate branding, the consumer/end-users came to take the role of private investors and potential employees and vice versa – the roles somewhat converged. Although the role of various stakeholders in corporate branding has been emphasized much in earlier research concerning corporate branding, this kind of specific strategy has received little attention. My conclusion is:

> *In corporate branding in the Finnish P&P corporations, in the translation of management interest in increasing investor awareness and potential employee awareness to having brands in a corporate master brand family, the roles of ordinary people (1) as consumers/end-users of paper products, (2) as potential private investors, and (3) as potential employees would converge, especially when it comes to*

office paper products sold with brands owned by the corporation and ending up to the people at ordinary companies, public institutions, and homes. Seeing the corporate name and/or logo placed quite visibly in ream wrappings and boxes, labels, and promotional materials – even as part of the brand name – would make the consumer/end-users more aware of the corporation as a paper company. Since the consumer/end-users would also be potential private investors and potential employees, investor and potential employee awareness of the corporation as a paper company would simultaneously increase.

Furthermore, it can be noted that although the P&P corporations were mainly selling products to business customers, in the above translation of interest, products ending up to ordinary people, or consumers, would have an important role, as well as the consumers themselves. This somewhat questions the validity of the notion of B2B or industrial (corporate) branding discussed in earlier research. Namely, if companies considered B2B companies, like the Finnish P&P companies, have strong branding interests related to consumers and the products sold or ending up to them, it is questionable to refer to branding activities of these companies as B2B branding. And it actually further questions the validity of the notion of a B2B company and marketer, too – a notion which has also been criticized earlier (e.g. Fern and Brown 1984). Namely, if companies that are considered B2B companies, like the Finnish P&P companies, have branding interests related to products marketed to consumers, it is questionable to consider the companies as B2B companies or marketers in the first place. Finally, it can be noted, that in this translation of interest in corporate branding, the consumer/end-users coming to take the role of private investors and potential employees and vice versa further questions the notion of B2B branding. Namely, if companies that are considered B2B companies have branding interests related to potential private investors and employees and the products sold or ending up to them as consumer/end-users, not only to customers or business customers, it is questionable to refer to branding activities of these companies as B2B branding – a notion based on the type of customers or buyer of products. My conclusions are:

Although the Finnish P&P corporations mainly engaged in B2B marketing, their management became interested in management practices of corporate branding related not only to businesses and products sold to them, but also to consumer/end-users and products sold or ending up to them, particularly when it comes to interest in increasing their awareness of the company.

Defining and communicating corporate brand image values - Interests in both employee identification and attitude in doing business. Third, it can be noted that the particular interests which the management practices related to defining and communicating corporate brand image values were translations of in the early 2000s in the Finnish P&P corporations were (1) having employees identify themselves with and be proud of the corporation, on the one hand, and (2) having employees adopt a way of working with initiative and a proactive customer-helping attitude, on the other. Furthermore, it can be noted that while earlier in the 1990s, before the interest in corporate branding, the former and the latter had been translated largely into separate management practices, in corporate branding they were translated into integral and common management practices. Earlier, e.g. unified corporate visual identity, training, and even values defined for internal interaction of employees, such as "openness" and "trust", could be applied to have employees identify themselves with and be proud of the corporation. On the other hand, to have employees adopt a way of working with initiative and a proactive

customer-helping attitude, e.g. training of customer-service people and quality management systems could be applied. But in corporate branding, both management interests were served by the management practices related to defining and communicating corporate brand image values. Especially, they were served by also having initiative and a proactive customer-helping attitude – directly related to doing business with customers – defined as a value and not only values related to internal interaction of the employees. When it comes to earlier research concerning corporate branding, it does tend to emphasize the aspirational brand values as having an important role in doing business with customers, but leaves the aspect of having employees identify themselves with and be proud of the corporation with less attention. My conclusion is:

> *In corporate branding in the Finnish P&P corporations, management practices related to defining and communicating corporate brand image values would come to integrally serve the interests in both having employees identify themselves with and be proud of the corporation, on the one hand, and having employees adopt a way of working with a certain attitude in doing business with and creating an offering to customers, on the other.*

14.2 Managing different stakeholder relationships – Marketing the Corporation

In this sub-chapter, I present my conclusions concerning the management interests in corporate branding in the Finnish P&P corporations as reflecting interests in managing different stakeholder relationships of the corporation and in marketing the corporation. These are the main conclusions of my Thesis.

14.2.1 Management of stakeholder relationships – Marketing also to investors and employees

Managing stakeholder relationships to investors and analysts and to own and potential employees in addition to relationships to customers

In Table 9, in the rightmost columns, I note how the various translated management interests of corporate branding were directly related to customers, investors and investment analysts, the corporation's own employees and managers, and/or potential employees. In making these notes, I consider the interest to be directly related to one of these stakeholder groups if the interest involved acting on or influencing the stakeholder group directly. I do not consider the interest to be related directly to a stakeholder group if it involved acting on the stakeholder group only indirectly. For instance, I would not consider an interest in making the corporation's offering more attractive to customers to relate to investors but only to customers even though the attractiveness of the offering to customers would naturally affect how attractive investors would consider the corporation.[885]

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[885] Nevertheless, I consider "having employees adopt a way of working with initiative and a proactive customer-helping attitude" as directly relating to both customers and own employees, even if the acting on customers was not direct, strictly speaking. This is because the management was interested in this acting on own employees, as it would directly affect the ability to offer customers help in solving their business problems with new kinds of solutions. Also, I consider "having employees adopt a way of working with environmentally and socially responsible attitude" as directly relating to own employees, customers, and investors. This is because the management was interested in this acting on own employees, as it would somewhat directly decrease the possibility of external criticism about the corporation's environmental and social responsibility, which would, in turn, directly affect the attitude of such customers and investors towards the corporation who demanded it to act responsibly. The investors here would mean those

Noting (Table 9) that there are many interests relating to each of these stakeholder groups suggests that management interest in corporate branding in Finnish P&P corporations related strongly and directly to the management of relationships to customers, of relationships to investors and investment analysts, of internal relationships between employees and management, and of relationships to potential employees – to each of these. My conclusions are:

> *The management of the Finnish P&P corporations was interested in corporate branding, as it would serve various interests related to the management of relationships to customers, to investors and investment analysts, to and between the corporation's own employees and managers, and to potential employees.*

> *In corporate branding, the management of relationships to customers, to investors and investment analysts, to and between own employees and managers, and to potential employees became intertwined.*

On the other hand, this can be further contrasted with the commonly-held view of that branding relates mostly to management of relationships – and marketing – to customers. My conclusion becomes:

> *Management interest in corporate branding in the Finnish P&P corporations related not only to marketing towards customers but also strongly to marketing towards investors and investment analysts and (internal) marketing towards own employees and managers, as well as potential employees.*

Towards the Finnish P&P industry research, the above conclusions suggest, first, that corporate branding was related to the recognition of the importance of marketing, communication, and image-building, which has been increasingly discussed (e.g. Laurila and Lilja 2003; Haarla 2003; Kuisma 2004; Joutsenvirta 2006). Second, they suggest that corporate branding was related to the urge to attract and satisfy investors and investment analysts, particularly foreign. The emergence of such urge since the 1990s has also been discussed (e.g. Tainio and Lilja 2003; Tainio 2003). Finally, to these two aspects, we can add a third: the recognition of the increasing importance of attracting and motivating employees to work for the good of the corporation. This recognition has received less attention in earlier research.

Internal marketing

With regard to "having employees adopt a way of working with initiative and a proactive customer-helping attitude", to be able to offer customers help in specifying their business needs and problems and in finding optimal product and service solutions, I make a further conclusion. This conclusion arises from relating the interest with the concept of "internal marketing" (e.g. Berry 1981; Berry and Parasuraman 1991; Grönroos 1981, 1983, 1990; Gummesson 1987), while still contrasting with the commonly-held view that branding relates mostly to management of customer relationships, or marketing to customers. Namely, in a sense, the concept of internal marketing is used to refer to motivating and training employees, particularly customer-contact, service, and salespeople to have a customer-centred attitude, way of thinking, and way of acting, especially when interacting with customers. This internal marketing of the customer-centred attitude towards employees is seen crucial in preceding the ability to offer customers help in solving their problems and satisfying their needs. The management interest in "having employees adopt a way of working with initiative

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investors who were inherently demanding the corporation to act responsibly, e.g. funds investing in responsible companies – not investors who were demanding it only because it would involve a risk via customers' attitudes.

and a proactive customer-helping attitude" with corporate branding can, thus, be considered to be about internal marketing. My conclusion is:

> *The management interest in corporate branding in the Finnish P&P corporations related strongly not only to marketing to customers but also to internal marketing to own employees, particularly customer-service people, in the sense of an attempt at having them adopt a more customer-centred attitude in every-day working.*

Furthermore, the concept of internal marketing is also used to more generally refer to motivating and training employees to adopt certain kinds of ways of working and thinking, a certain culture. Thus, in this sense also "having employees adopt a way of working with environmentally and socially responsible attitude" can be considered to be about internal marketing. My conclusion is:

> *The management interest in corporate branding in the Finnish P&P corporations related strongly not only to marketing to customers but also to internal marketing to own employees in the sense of an attempt at having them adopt a way of working with more of certain attitude.*

Finally, the concept of internal marketing is used to refer even more generally to using similar marketing means for potential and existing employees as for external customers, to obtain and retain the best possible employees and to motivate them to do the best possible work (Berry and Parasuraman 1991; Cahill 1996). In the sense of obtaining the best possible employees, at least the management interest in "increasing potential employee awareness of corporation" could be considered to be about internal marketing. On the other hand, in the sense of retaining the best employees and motivating them to do the best possible work, actually all the other management interests in corporate branding that directly relate to relationships between own employees and managers can be considered to be about internal marketing. My conclusion is:

> *The management interest in corporate branding in the Finnish P&P corporations related strongly not only to marketing to customers but also to internal marketing to potential and own employees in the sense of an attempt at obtaining the best possible employees and motivating them to do the best possible work for corporate strategies and objectives.*

Internal branding

A notion in branding literature close to internal marketing is internal branding. It has been noted that comparatively little attention has been paid to the internal branding perspective to consider what steps companies take or should take to be sure their employees understand basic branding notions and how they can affect and help – or hurt – the image and equity of their brands (Keller 2003, pp. 157–159; see also e.g. Maklan and Knox 2000; Macrae 1999). On the other hand, it seems that in the Finnish P&P corporations, the management interest in corporate branding, indeed, related fairly strongly to this kind of internal branding. This is particularly true when it comes to communicating to employees how important their adopting a way of working with initiative and a proactive customer-helping attitude and a way of working with environmentally and socially responsible attitude would be for the corporation. My conclusion is:

> *The management interest in corporate branding in the Finnish P&P corporations related strongly not only to external branding but also to internal branding to employees. This was particularly true in the sense of having employees understand basic branding notions and how their attitude and ways of working would be crucial*

when it comes to making customers and other external stakeholders perceive the corporate brand as desired: e.g. the corporation's offering to customers being help in specifying their paper- and board-related business needs and problems in more detail and in finding optimal product and service solutions, and the corporation's behaviour being environmentally and socially responsible.

Management of relationships to customers Othered most – Management of relationships to investors and analysts served most

In Table 10, I also note how the various management interests that were "Othered" by the management practices of corporate branding were directly related to customers, investors and investment analysts, and/or own employees and managers. In making these notes, I consider the interest to have directly related to one of these stakeholder groups if the interest involved directly acting on or influencing the stakeholder group similarly as I did above in Table 9. Noting (Table 10) that there are particularly many interests relating to customers Othered suggests that the management interest in corporate branding in the Finnish P&P corporations meant Othering management of relationships to customers to some extent. My conclusion is:

> *Management interests which were directly related to the management of relationships to customers but which could be Othered to some extent by corporate branding in the Finnish P&P corporations were:*
> > *Communicating differentiation of products to customers*
> > *Communicating differences in products sold to the same customers*
> > *Decreasing vulnerability to criticism and scandals around the corporation*
> > *Avoiding problems from corporate name changes in the case of mergers and acquisitions*
> > *Making customers' repeat purchases simple*
> > *Maintaining (sales) alliances with other corporations*
> > *Communicating different offerings to different customers*
> > *Communicating differentiation to customers*
> > *Supporting existing business and sales of products*

Interests related to the management of relationships to customers being highly dominant among the Othered interests, relative to the management of relationships to investors or to and between own employees and managers, suggests that there was more controversy about whether corporate branding served the interests of the management of customer relationships than there was about whether it served the interests of the management of relationships to investors and analysts, to and between own employees and managers, or to potential employees. My conclusions are:

> *There was controversy about whether corporate branding served well the interests of the management of relationships to customers in the Finnish P&P corporations or not.*

> *Corporate branding served less controversially interests related to the management of relationships to investors and analysts, to and between own employees and managers and to potential employees than those to customers in the Finnish P&P corporations.*

Noting in Table 10, that there were no strong interests related to the management of relationships to investors or investment analysts that would have been Othered with corporate branding further suggests that there was practically no controversy about whether corporate branding served the interests of the management of relationships to investors and analysts. My conclusion is:

Corporate branding would serve with little controversy interests related to the management of relationships to investors and investment analysts in the Finnish P&P corporations.

14.2.2 Marketing to Customers: Long-term marketing and Othernesses

Short-term marketing and sales to customers Othered by Long-term marketing

Looking particularly into those management interests translated and those Othered in corporate branding which directly relate to managing relationships to customers, we can note how especially interests related to managing relationships to customers in the short-term were Othered, while interests in managing customer relationships to customers in longer term were translated, or served, in corporate branding. Of the Othered interests related to the management of relationships to customers, at least "communicating differentiation of products to customers", "communicating differences in products sold to same customers", "making customers' repeat purchases simple", and "supporting existing business and sales of products" can be considered to closely relate to interest in continuing the business somewhat as before with the main offering to individual customers being the corporation's products, even individual products. If the management of relationships to customers and the offering to them are considered to be among the main tasks of marketing, these interests can be considered to be about short-term marketing, as well as selling, and, hence, corporate branding to have Othered interests of short-term marketing and sales.

On the other hand, interests translated in, or served by corporate branding, such as emphasizing to customers the corporation's offering of "services", "solutions (help)", "large volume supply reliability" or "a wide product range" – "rather than that of individual products" – can be considered to have closely related to interest in differentiating from competition by offering customers something more than products and communicating this offering to the customers, so that they would shift to demanding such an offering, at least in the longer term. This can be considered to be about long-term marketing and, hence, corporate branding to have served particularly the interest of this more long-term marketing. However, as implied above, to the extent that emphasizing the new offering would mean communicating less about and de-emphasizing the main offering of products, it would Other the interest in continuing the business somewhat as before in the short-term with the main offering to individual customers being the corporation's products, even individual products – short-term marketing and day-to-day sales. And this would be a problem in the sense that most customers would, at least in the short run, like to continue the business as before, being mostly attracted by the corporation's offering being the sales of products, even individual products. Thus, my conclusion is:

Corporate branding in the Finnish P&P corporations would serve mainly the interests in an attempt at having customers consider the attractiveness of and demand such new kinds of offerings by the corporation where individual products would be de-emphasized. On the other hand, corporate branding Othered interests in continuing the day-to-day business as before with the main offering being sales of products, as was found most attractive by many customers in short term. In other

words, interests related to long-term marketing were served and interests related to short-term marketing and sales Othered.

Second, of the Othered interests related to the management of relationships to customers, at least "supporting existing business and sales" can be considered to closely relate to interest in continuing the business somewhat as before with the main offering to customers being products and services which they had been used to buying and which they were buying to their fairly well-specified needs. Also in this sense, corporate branding can be considered to have Othered interests of short-term marketing and sales.

On the other hand, particularly the interest in "emphasizing solution help rather than products to customers" was closely related to the interest in differentiating from competition by offering customers help in specifying customers' business needs and problems and finding the optimal product and service solutions and communicating this offering to the customers, so that they would consider it for attractiveness and shift into demanding such offering, at least in longer term. This can, again, be considered to be about long-term marketing and, hence, corporate branding to have served particularly the interest of this long-term marketing also in this sense. However, as implied above, to the extent that emphasizing the new offering would mean describing products and their characteristics less in communication and promotion, it could Other the interest in continuing the business somewhat as usual. This would be a problem in the sense that most customers would most of the time not be willing to re-specify their needs in new ways or find new kinds of solutions to them with the help of the corporation, but to be able to easily and straightforwardly order and buy products to quite well-specified needs, even on the spot market. My conclusion is:

> *Corporate branding in the Finnish P&P corporations would mainly serve the interests in an attempt at having customers consider the attractiveness of and demand a new kind of offering by the corporation consisting of help in specifying customers' business needs and problems and finding the optimal product and service solutions. On the other hand, corporate branding Othered interests in continuing the day-to-day business as usual with the main offering being sales of products and services which customers had been used to buying and which they were buying to their fairly well-specified needs, as was found most attractive by many customers in short term. In other words, interests related to long-term marketing were served and interests related to short-term marketing and sales Othered.*

Segmentation Othered?

Looking further into the Description and interests Othered in corporate branding that directly relate to managing relationships to customers, notes can be made with respect to the fact that the interest in "communicating different offerings to different customers" was potentially Othered by corporate branding in the Finnish P&P corporations. Defining corporate brand values to be taken as the target perceptions that the various external stakeholders, especially customers, should have about the corporation and its offerings, could result in defining them at such a general level that they would not help in communicating about the corporation and its different offerings to different customer groups or customers. On the other hand, continuously communicating values and offerings, such as proactive customer-helping attitude and solutions help, could make communicating different offerings to different customers more difficult to the extent that communication about different offerings to different customers was reduced to give way to

communication geared to achieve the common target perceptions for all the customers of the corporation and its offering.

The potentially Othered interest in communicating different offerings to different customers can be considered to be closely related to segmentation – one of the most central concepts in marketing. Already in 1956, Smith defined in his seminal article: "Market segmentation involves viewing a heterogeneous market as a number of smaller homogeneous markets, in response to differing preferences, attributable to the desires of customers for more precise satisfactions of their varying wants". Segmentation can be contrasted to mass marketing, i.e. producing, distributing, and promoting the same product in about the same way to all customers. Segmentation is basically about developing different offerings to different customers and communicating these offerings – one of the potentially Othered interests in corporate branding. Thus, my conclusion is:

> *Corporate branding in the Finnish P&P corporations potentially Othered, to some extent, interest in segmentation, when it comes to communicating different offerings to different customers.*

Differentiation Othered?

Finally, it can be noted that the management practices of corporate branding potentially Othered the interests in "communicating differentiation of products to customers" and "communicating differentiation to customers". Concerning the former, differentiation of a (new) product, relative to competition, could be more difficult to communicate to customers, as the brand name and style of product communication would not stand out from among the product range of the corporation. This could be the case if the brand name and style of the product communication were highly similar to and shared common elements with those of other (commodity) products of the corporation – the brand name even having the corporate name as part of it. Concerning the latter, the corporate brand values could be defined as too generic and similar to what competitors would have. Having and emphasizing e.g. initiative and a proactive customer-helping attitude and solutions as values would make differentiation difficult, as the competitors were emphasizing very similar things concerning themselves. My conclusion is:

> *Corporate branding in the Finnish P&P corporations potentially Othered, to some extent, interest in differentiation, when it comes to making (new) differentiated products stand out in terms of brand names and product communications and to emphasizing different values and offerings than those of the competitors.*

Note that besides being a concept emphasized by the management itself, differentiation is also a central concept in marketing theory, as well as in general management and strategy theory, which has emphasized its role in creating sustained competitive advantage (e.g. Porter 1980, 1985, 1991; Barney 1991; Mintzberg 1998; Deephouse 1999).

14.3 Power relations in management

14.3.1 Power of corporate marketing and communications managers and corporate head office growing

Power of corporate marketing and communications people

As mentioned, especially corporate marketing people and corporate communications people were active spokespersons for corporate branding in Finnish P&P corporations. Corporate branding can be considered a process in which the corporate marketing and communications people expanded their control to new domains in the workings of the corporations.

Traditionally and until the end of the 1990s, the role of corporate-level marketing people in the Finnish P&P corporations had been marginal. To the extent that there had started to be marketing people working at the corporate level around the mid 1990s, they had mainly concentrated on producing e.g. customer magazines and some corporate-level promotional materials and presentations, planning some sponsorships, and facilitating the setting up of some guidelines for marketing communications by divisions and mills.

The corporate communications people, in turn, had first of all, until the end of 1990s, concentrated on generating financial information and reports to investors. Second, they had concentrated, particularly in the 1990s, on generating environmental information and reports to different stakeholders. Third, they had concentrated on handling media relations. Fourth, they had concentrated, particularly since the early and mid 1990s, on setting some guidelines for the visual identity of different kinds of materials produced in different units of the corporation. And fifth, they had concentrated on producing e.g. company magazines and presentations about the corporation, as well as planning some sponsorships. Closely related to the corporate (financial) communications people, there were since the early and mid 1990s, investor relations managers, concentrating on personal contacts to investors and investment analysts.

Corporate marketing and communications' power on business with customers. Concerning the management of relationships to customers, corporate marketing and communications managers increased their direct influence and control on the day-to-day business with customers: communicating to customers about what the offering to them was, developing strong product brands and brand families, increasing customer awareness of the corporation, preventing cannibalization of sales, making customers indifferent of which mills produced the products, and having employees adopt ways of working with certain attitudes. These had earlier been quite exclusively in the control of division and mill marketing people and salespeople. For corporate marketing managers, this was beyond the earlier control, which had had to do mostly with indirect and subtle influences on customers through e.g. customer magazines, some corporate-level promotion materials, sponsorships, and guidelines for visual identity. For corporate communications managers, it was also beyond the earlier control, which had had to do mostly with indirect influence on customers through e.g. environmental reports, press releases, guidelines for visual identity, company magazines, some presentations about the corporation, and some sponsorships. My conclusion is:

> *In corporate branding, the corporate marketing and corporate communications managers of the Finnish P&P corporations increased their influence and control on*

the management of relationships to customers, especially on the day-to-day business, thus reducing the power of division and mill marketing people, as well as salespeople.

Corporate marketing and communications' power in managing relationships to investors. Concerning the management of relationships to investors and investment analysts, the corporate marketing managers actually expanded their control to this domain from scratch. Corporate communications managers, in turn, increased their influence and control in this domain, beyond the influence they had previously had through e.g. financial information, environmental reports, news releases, company magazines and presentations about the corporation. My conclusions are:

> *In corporate branding, the corporate marketing managers of the Finnish P&P corporations expanded their domain of influence and control to the management of relationships to investors and investment analysts quite from scratch, increasing their own power.*

> *In corporate branding, the corporate communications managers of the Finnish P&P corporations increased their influence and control on the management of relationships to investors, increasing their own power.*

Corporate marketing and communications' power in managing relationships to own employees. Also concerning the management of relationships to and between the corporation's own employees and managers, the corporate marketing managers expanded their control to this domain. The interests related to managing the relationships to and between own employees and managers had earlier been quite exclusively in the control of human resources management of mills and the corporate head office, top management, and management of divisions, mills, and sales offices. Corporate communications managers, in turn, increased their influence and control in this domain, beyond the influence they had previously had through e.g. employee magazines. My conclusions are:

> *In corporate branding, the corporate marketing managers of the Finnish P&P corporations expanded their domain of influence and control on the management of relationships to and between own employees and managers quite from scratch, thus reducing the power of e.g. human resources managers and the managers of divisions, mills, and sales offices.*

> *In corporate branding, the corporate communications managers of the Finnish P&P corporations increased their influence and control on the management of relationships to and between own employees and managers, thus reducing the power of e.g. human resources managers and the managers of divisions, mills, and sales offices.*

Corporate marketing and communications combining forces. It can be noted that corporate marketing and corporate communication functions both became highly interested in corporate branding at an early stage and shared the strong interests in the management practices of corporate branding. They came to speak for the same interests and management practices together. By cooperating closely, they could act more forcefully to speak for the same interests and management practices and convince the management about them. My conclusion is:

> *In corporate branding, the corporate marketing (communications) and corporate communications functions came to combine forces and cooperate more closely than before.*

Power of the corporate head office

Corporate head office, especially the top management and the corporate communications and corporate marketing people, were particularly actively interested in corporate branding in the Finnish P&P corporations. Corporate branding can be considered a process in which the corporate head office expanded its control to new domains in the workings of the corporations.

Traditionally and until the end of the 1990s, the corporate head office had, firstly, concentrated on financial accounting, as well as on the management of relationships to debt investors and, later, especially in the 1990s, also to equity investors. Second, the corporate head office had concentrated on the management of raw material resources of the corporation, such as fibre and energy, and on the management of relationships to suppliers of these resources. Third, it had concentrated on the management of relationships to the wider society, particularly to Finnish politicians, authorities, and, to some extent, media. Fourth, it had concentrated, especially until the mid 1990s, on the management of relationships to Finnish competitors – more or less cooperative relationships. Fifth, it had participated to some extent, especially since the mid 1990s, in the management of relationships to own employees and managers and to potential employees. Particularly, it had been involved in the recruitment of employees, as well as in their motivation and training on a general level, through e.g. the development of quality and environmental management schemes, and in making employees identify themselves with the corporation, through e.g. projects defining a unified visual identity and some values for the internal interaction in the corporation. The head office had also been strongly involved in managing relationships to labour unions and employers' associations.

Corporate head office's power in the domain of marketing. When it comes to managing relationships to customers, the corporate head office had basically participated only indirectly through concentrating on the management of the above relationships and through concentrating on the long-term management of the set of paper machines and distribution channels and the development and investments in these. To some extent, the corporate head office had also participated in the management of relationships to customers through personal contacts to the largest customers. Nevertheless, the management of relationships to customers, marketing, had mostly fallen to the sales offices, mills, and later, especially since the late 1990s, to divisions.

Now, corporate branding was a process in which the corporate head office considerably expanded its influence and control to and in the domain of marketing, as evident in various interests in corporate branding related to managing relationships to customers. This expansion of the domain of control came to reduce the power of divisions and sales offices and mills, albeit that mills' power had been reduced already by the setting up of the divisions. Thus, my conclusion is:

> In corporate branding, the corporate head offices of the Finnish P&P corporations increased their influence and control on marketing, in the sense of the management of relationships to customers, thus reducing the power of divisions, sales offices, and mills.

Corporate head office's power in the management of relationships to individual employees and managers. On the other hand, corporate branding can be also considered a process in which the corporate head office somewhat increased its influence and control in the domain of the management of relationships to and between employees and managers. Particularly, it got more strongly involved in

having *individual* employees, particularly customer-service and salespeople of sales offices and mills, adopt ways of working with certain attitudes, such as a proactive customer-helping attitude and environmentally and socially responsible attitude. This expansion of the domain of control came to reduce the power of sales offices, divisions, and mills, which had assumed the most responsibility for the training of and communication to individual employees. Thus, my conclusion is:

> *In corporate branding, the corporate head offices of the Finnish P&P corporations increased their influence and control on management of relationships to individual own employees and managers, particularly to customer-service and salespeople but also to others employed by sales offices, divisions, and mills, thus reducing the power of these.*

14.3.2 Managers with interests Othered

Particularly when it comes to management of relationships to customers Othered most, we can note that the interests that were Othered were particularly strongly held by managers primarily accountable for managing relationships to customers in terms of e.g. sales and/or profits from selling certain products and/or from selling to certain customers. These managers would include division, mill, and sales managers. On the other hand, these managers were little accountable for managing relationships to investors or to, between own employees and managers and to potential employees. Thus, my conclusion is:

> *The interests related to managing relationships to customers and Othered by corporate branding in the Finnish P&P corporations were most strongly held by managers who were accountable for managing relationships to customers in terms of e.g. maximizing sales volumes and/or profits from selling certain products and/or from selling to certain customers and who were little accountable for managing relationships to investors and investment analysts, to and between own employees and managers, or to potential employees. These managers included particularly sales managers and division and mill marketing and line managers.*

On the other hand, also when it comes to short-term marketing and sales Othered by long-term marketing, the interests that were Othered were particularly strongly held by managers primarily accountable for managing relationships to customers in terms of e.g. sales and/or profits from selling certain products and/or from selling to certain customers – day-to-day, short-term marketing and sales. These managers would include division and sales managers in the organization of the P&P corporations. Thus, my conclusion is:

> *The interests related to short-term marketing and sales which were Othered by corporate branding in the Finnish P&P corporations were most strongly held by managers who were accountable for managing relationships to customers in terms of e.g. sales volumes and/or profits from selling certain products and/or from selling to certain customers – for day-to-day, short-term marketing and sales. These managers included particularly sales managers and division and mill marketing and line managers.*

14.4 Matrix of management interests translated into management practices

Looking into the management interests and practices in corporate branding in the Finnish P&P corporations, I have already suggested above that the various individual practices were important in corporate branding and that the various individual management interests were important in the management becoming interested in corporate branding overall. The management would not necessarily have been interested in only one or few of the individual management practices and the management would not necessarily have become strongly interested in corporate branding if many or most of the individual interests had not been present by the early 2000s.

At this point, it can be noted that, on the one hand, many of the individual management practices of corporate branding would be translations of, or serve, many of the individual interests and, on the other hand, many of the individual management interests would be translated to, or served by, many of the individual management practices. This relates closely to the conclusions above that the management became interested in the various individual management practices of corporate branding somewhat integrally and that the various individual management interests by the early 2000s would be integrally translated to the various individual management practices of corporate branding. While earlier research concerning corporate branding may emphasize the role of some of the individual management interests and practices, it has remained silent on the fact that in particular companies, management interest in corporate branding may integrally involve a matrix of various individual management interests translated into various individual management practices. Furthermore, since the management practices also Othered some interests, it can be considered that these Othered interests were also in the matrix with the management practices but that the translated interests were in some measure stronger than the Othered ones. My conclusion is:

> *The management of the Finnish P&P corporations became interested in a new management concept such as corporate branding in a matrix-like way so that various individual management interests of different managers were served by a certain individual management practice, so that a certain individual management interest of certain managers was served by various individual management practices, and so that the management interests served by the management practices were stronger than certain management interests Othered by the management practices.*

Furthermore, I have suggested that a somewhat more unified management subject with common interest in corporate branding got constructed, as the same management practices of corporate branding would serve and translate different interests of different managers. Acknowledging this, it can actually be considered that collectively the management of a Finnish P&P corporation became interested in corporate branding, even if individual managers did not become interested in all the management practices of corporate branding in the matrix and even if individual managers did not become interested in certain management practices as translations of all the interests in the matrix. My conclusion is:

> *An individual manager of a Finnish P&P corporation did not become interested in all the management practices of corporate branding of the matrix. An individual manager did not have all the management interests in corporate branding of the matrix strongly, either. Some interests could be stronger for e.g. line managers, some*

*for financial and investor relations managers, some for divisional marketing and sales managers, some for corporate communications and marketing managers, and some for human resources managers. Nevertheless, **collectively**, the management became interested in corporate branding, as certain new management practices – of corporate branding – served at least some interests of most of the different managers – interests which they had recently, by the 2000s, begun to have strongly.*

To the extent that "corporate branding" can be considered an organizational or administrative innovation or a fashionable management concept, theory, or technique, the above two conclusions may be found insightful by management and organization researchers interested in how organizations adopt such innovations, as well as those interested in management fads and fashions. Earlier research on the adoption of administrative innovations has largely relied on institutional theory, the insights basically suggesting that the adoption of an innovation may stem not only from interest in improving the (technological, operational) performance or competitiveness of the organization but also from interest in gaining legitimacy in the organizational field (e.g. Meyer and Rowan 1977; DiMaggio and Powell 1983; Scott 1995; Tolbert and Zucker 1983; Westphal, Gulati, and Shortell 1997). While not paying much attention to what concrete management practices the new innovations comprise and how the management considers the innovations to improve the competitiveness, researchers have concentrated on the aspect of legitimacy. Gaining legitimacy is seen to be linked to three main institutional forces: mimetic, coercive, and normative (e.g. DiMaggio and Powell 1983; Scott 1995). The notion of mimetic isomorphism assumes that to gain legitimacy, a company may be interested in adopting an innovation, as other companies in the field or industry have adopted it. The notion of coercive isomorphism assumes that to gain legitimacy, a company may be interested in adopting an innovation, as organizations upon which it is dependent or cultural expectations in the society demand the adoption. The notion of normative isomorphism assumed that to gain legitimacy, a company may be interested in adopting an innovation, as its professional managers come to consider it as a widely accepted practice, a norm, through e.g. their education and professional training and social networks with other professionals.

The above conclusions, in contrast, provide an insight to how the management of a company might become interested in adopting a new management concept, beyond potential interest in legitimacy. The insight can be considered to concern particularly the matrix notion that different managers' different interests in improving the performance or competitiveness of the organization were translated to common interest in the new management concept and its management practices, while the interests Othered by the management practices remained less strong than those translated.

On the other hand, it has to be pointed out that my Findings and Conclusions do not seem to suggest that management interest in gaining institutional legitimacy by e.g. imitating other companies in the industry would have been significant in the adoption of corporate branding in the Finnish P&P corporations. Nevertheless, this may be due to limitations of the Method I used, as discussed below in section 15.1.1 (Validity of the Findings and Conclusions).

Corporate marketing and communications effectively proposing management interest/practice matrix. Above I suggested that management of the Finnish P&P corporations became interested in corporate branding in a matrix-like way and that corporate marketing and communications managers were able to expand their influence and control to and in the different domains of management. On the other

hand, it can be noted that although the corporate marketing and communications managers were most actively speaking for corporate branding, the management practices of corporate branding actually served numerous interests, which were held strongly by top managers, investor relations managers, human resources managers, and line managers. Accordingly, the interests were, in a way, theirs. So, the fact that it was just the corporate marketing and communications functions that were able to expand their influence and control to and in the different domains suggests that they happened to succeeded in proposing a matrix of various management interests, various management practices that would serve those interests, and various management interests that would be Othered by the practices but that would be less strong than the interests served. Some other managers – perhaps excluding division and mill marketing managers and sales managers, whose interests would be Othered most – could have just as well proposed the matrix, involving many of their "own" interests. But, the corporate marketing and communications did this most actively and succeeded to some extent. My conclusion is:

> *In corporate branding in a Finnish P&P corporation, the corporate marketing and corporate communications functions succeeded in proposing a management/interest matrix - a matrix of various management interests held strongly by various managers in the corporation, various management practices that would serve those interests, and various management interests that would be Othered by the practices but that would be less strong than the interests served. The corporate marketing and communications functions were the ones that proposed the matrix most actively.*

15 Implications

15.1 Generalizability of the Findings and Conclusions

Generalization is a controversial issue in social scientific research and, especially, in qualitative inquiry. It is a widely shared view that to be useful, the findings of a study must be transferable to some other contexts and situations. There is no general agreement, however, on what this means in qualitative research.

As Moisander and Valtonen (2006) discuss, in quantitative research, generalization is usually considered to refer to external validity and the extension of research findings and conclusions from a study conducted on a sample to a population at large, using the logic of sampling and, ultimately, statistical inference. On the other hand, in qualitative research where samples representative of any larger populations are not drawn or samples are too small to be statistically representative of any larger populations, the quantitative notions of generalizability are of little use in assessing the wider relevance of studies. Nevertheless, the idea of *transferability,* or how well the findings of a study can be transferred and applied to other contexts and situations, particularly by the readers of the research report, is relevant also in qualitative research. The researcher can assess and make claims about how the findings can be applied to other contexts and situations, but, eventually, transferability refers to the degree to which readers can transfer the results to other contexts and situations they are familiar with.

To improve the transferability of research findings and conclusions, qualitative researchers are often advised to supply a highly detailed "thick description" of their research situation and methods (Geertz 1973). It is believed that such a description allows readers to see the phenomena in their own experience and research (Dyer and Wilkins 1989) and thus make informed judgments about whether or not, and to what degree, they can transfer the findings to their own situations.

When it comes to the Findings (Chapter 13) and Conclusions (Chapter 14) of the present research, the Description in Parts III and IV can be considered not only as an ANT description answering the riddle of how come the management of the Finnish P&P corporations became interested in corporate branding, but also as a very thick description accompanying what I present as my Findings and Conclusions. Thus, there are good preconditions for their transferability. In any case, in the following, I want to make further assessments about their generalizability, or transferability.

15.1.1 Validity of the Findings and Conclusions

Before assessing the transferability of the Findings and Conclusions, it has to be noted that their (internal) validity can be considered to correspond closely to the validity of the Description, discussed in section 4.3.

First, in constructing the Findings concerning the research questions in Chapter 13, I attempted to keep any reinterpretation of the Description to a minimum and just to point out certain aspects of the Description related to the research questions and to summarize them. Of course, I could have pointed out and summarized other aspects than I did or in other ways than I did. For instance regarding the "preconditions" of corporate branding, it can be considered likely that not all the preconditions are pointed out in the Findings. However, I consider to have succeeded in making such claims concerning the research questions which

fairly directly emerge from the Description. Thus, the Findings concerning the research questions can be considered fairly valid, at least to the extent that the Description is valid (section 4.3).

Second, in making the Conclusions in Chapter 14, I attempted, again, to keep any reinterpretation of the Description or the Findings concerning the research questions to a minimum and just to discuss and point out further aspects of the Description, often such to which earlier work concerning e.g. (B2B) branding and corporate branding has paid less attention. Eventually, the Conclusions are quite direct reflections of the Description concerning what kind of practices of corporate branding the management became interested in and what interests the practices served, and what interests they possibly suppressed, or Othered. Note that in making the Conclusions, I do apply some concepts developed in earlier branding research, as well as in other marketing and management research, but only to the extent that certain aspects of the Description or the Findings concerning the research questions clearly reflect somehow or are instances of the concepts and their suggested definitions. So, as above, I consider to have succeeded in making such claims in the Conclusions which fairly directly emerge from the Description and the Findings concerning the questions. Thus, also the Conclusions can be considered fairly valid, at least to the extent that the Description is valid.

Finally, before moving to assess the transferability of the Findings and Conclusions, I want to point out one aspect possibly undermining their validity, especially since I have above made some references to institutional theory. Namely, although not reflected in my Findings, it may well be that managers of the Finnish P&P corporations were interested in adopting "corporate branding" also to gain (institutional) legitimacy. Whereas it is not likely that they would have been interested in the adoption as e.g. customers, suppliers, regulators, or investors would have demanded or expected it (coercive isomorphism), they may have well been interested in imitating their competitors in the industry (mimetic isomorphism). The fact that, for instance, all the three Finnish P&P corporations adopted corporate branding approximately at the same time could be a sign of this. They may have also been interested in imitating e.g. the corporate branding efforts of the most renowned Finnish company, Nokia. Moreover, the managers of the P&P corporations may have learned about corporate branding being the accepted norm (normative isomorphism), as in Finland, managers of different companies within and across industries actively interact with each other, as well as with professionals in universities. The fact that these interests are not identified among my Findings or Conclusions, may be due to the Method I used. Namely, the managers used as the main informants may not have been willing to admit that they were interested in e.g. imitating their competitors in the adoption of "corporate branding".

15.1.2 Transferability of the Findings and Conclusions

Particularly the Description in Part III can be considered to describe quite contingent, situated and context-specific developments in specific historical, social, cultural, and material circumstances around and in the Finnish P&P corporations between the early 1980s and early 2000s. As such, their transferability is suspect. At least, the transferability of certain aspects or parts of the descriptions is difficult to assess objectively – their transferability is thus most evidently simply a matter of how well readers can transfer certain aspects to contexts and situations they are familiar with. On the other hand, the Description being a somewhat historical description and, in some measure an instance of historical research, assessing

thoroughly its generalizability may not even be necessary, as historical researchers rarely attempt to make generalizations.

Nevertheless, the Findings concerning the research questions and the Conclusions, in a way, fade out particularly some of the *development* aspect prominent in the Description. Hence, they can be considered less context-specific and less concerned with specific historical, social, cultural, and material circumstances – and more easily transferable – than the Description itself. For instance, the preconditions for corporate branding referred to in the Theses concerning research questions 5 and 6 convert, in a way, some historical developments to more static conditions that must hold or be true for the interests in the management practices of corporate branding to emerge.

Further, the transferability of the Findings and Conclusions can be assessed by considering, at first, that they concern the management the of Finnish P&P corporations, which are basically old, Finland-based (and Scandinavia- and Europe-based) corporations producing mainly wood- or wood-fibre-based industrial component material commodity products with a capital-intensive continuous process production method and marketing them mostly to businesses or other organizations for further processing or for use in conducting business. From this notion on, we can assess the transferability of the Findings and Conclusions to other, more or less similar corporations.

Table 11: Assessing the transferability of the Theses to similar corporations.

	age	home	raw materials of products	production method	purpose for which products are bought	customers in markets	products' role in markets
transferability decreasing	decades old	Finland-based	mainly paper or board – based products	production mainly with a capital-intensive continuous process production method	mainly industrial component material products for further processing or for use in conducting business	marketing the products mainly to businesses or other organizations	mainly commodity products
	years old	Scandinavia-based	mainly wood-fibre-based products	production mainly with a capital-intensive production method	mainly industrial products for further processing or for use in conducting business	marketing the products largely to both businesses and consumers	both commodity and specialized products
	start-up	Europe-based	mainly products of growable, renewable natural resources	production with whatever production method	products for whatever purpose	marketing the products mainly to consumers	mainly specialized products
		home wherever	products of whatever raw materials				

In Table 11, I list some attributes against which the similarity of the corporation to the Finnish P&P corporations and, hence, the likely transferability of the Findings

and Conclusions could be assessed. In each column, the topmost value for the attribute reflects most closely the above characterization of the Finnish P&P corporations. Of course, here it must be noted that some attributes in the Table and their values largely determine each other. For instance, the purpose for which products are bought and what kind of customers the products are marketed tend to be highly interdependent: industrial products bought for further processing or for use in conducting business are typically marketed mainly to businesses or other organizations. And production with a continuous process production method tends to be inherently capital-intensive.

In each column of Table 11, for each attribute, moving up in the column can, generally, be considered to increase the similarity of a corporation, having the specific attribute value, relative to the Finnish P&P corporations and, hence, the transferability of the Findings and Conclusions to the context of that corporation. If a certain corporation can be characterized with respect to almost all the attributes with values according to the first or second value in the column, the corporation might be considered fairly similar to the Finnish P&P corporations and the Findings and Conclusions fairly transferable to the context of the corporation.

Nevertheless, even if a certain corporation could be characterized with respect to only a couple of attributes values according to first or second value in the column – other attributes having the bottom values –, the corporation might be considered similar enough to the Finnish corporations for the Findings and Conclusions to be somewhat transferable to the context of the corporation. Actually, it may be that for a corporation to be similar enough for the transferability, it is enough for it to have the top value in one of the following columns: "raw materials of products", "production method", "purpose for which products are bought", "customers in markets", or "products' role in markets". Nevertheless, I suggest that the Findings and Conclusions are, eventually, most transferable to corporations that are, at least, marketing the products mainly to businesses or other organizations ("customers in markets") and producing mainly industrial products for further processing or for use in conducting business ("purpose for which products are bought") – to companies engaging in B2B marketing. This is why I have highlighted these with grey background colour.

15.2 Implications for further research: Subject phenomena

15.2.1 Similar corporations

Above, I discussed how particularly the Findings and Conclusions could potentially be transferred to concern corporations more or less similar to the Finnish P&P corporations: for instance, to Finland-, Scandinavia-, or Europe-based corporations engaging mainly in B2B marketing of industrial commodity products of continuous process production; corporations engaging mainly in B2B marketing of industrial commodity products of continuous process production (regardless of e.g. home country); to corporations engaging mainly in B2B marketing of commodity products (regardless of e.g. production method); or even to corporations simply engaging mainly in B2B marketing. A natural subject of further research would be to study how come the management in other corporations of these kinds have potentially become interested in corporate branding and whether similar findings could, indeed, be made as in this study concerning what the management interests in/behind corporate branding have been and to what management practices these interests have been translated, as

well as what management interests have been Othered by the management practices of corporate branding. Further, it would be interesting to study whether similar conclusions could be made as in this study.

15.2.2 Corporate branding

Negotiations to management practices of corporate branding, mobilizations, new management practices

In a sense, I described, particularly in Description in Part IV, definitions of management practices in which the management became interested in corporate branding, as well as how the definitions of the related entities were being negotiated and refined. Particularly, when it comes to the 1st and 2nd phases of corporate branding, I described some problems that emerged and negotiations and refinements in the practices and related entities that followed. Now, since there is little reason to believe that the described management practices would not have been further negotiated and refined in the Finnish P&P corporations from the point of time where my description ended (~the year 2004), in further research, these negotiations and refinements could be studied, in these corporations, as well as in similar ones. For instance, negotiations and refinements to what continuous communication about and according to the corporate brand values to employees and externally (3rd phase of corporate branding) comes to mean could be studied – in the present study, studying and describing this received less attention.

On the other hand, further research could be made simply with respect to what kind of further mobilizations have been and are actually made by the management and corporations as new instances of some of the management practices of corporate branding. For instance, with respect to the management practice of continuously communicating about and according to the corporate brand values to employees and externally, it could be studied what kinds of things would actually be communicated about the corporation, in what way, through what channels or in what media, how often and so on.

Furthermore, there is little reason to believe that the management would not become, or already have become at the time of writing this, interested in such management practices of corporate branding that would be quite new, i.e. not described in the present study. And there is little reason to believe that the management would not become, or already have become, disinterested in some of the management practices described in the present study. Studying one or both of these aspects could be subject to further research, when it comes to Finnish P&P corporations or similar corporations.

Effects of (individual) management practices of corporate branding

When it comes to the management practices of corporate branding, the present study concentrated on describing what interests they were translations of, what kind of corresponding mobilizations of entities the corporations made, as well as what interests they potentially Othered. A very natural subject of further research would be to study whether the effects of the management practices accorded or will accord to the interests, i.e. whether the entities mobilized have had or will have those effects on e.g. customers, investors and investment analysts, own and potential employees, and other entities that they were considered to come to have. It would be interesting to study also what the effects were like, if not like those considered.

Studying the effects of management practices would be particularly interesting concerning such translations that I discussed as having received less attention in earlier research concerning corporate branding. This would mean studying, for instance:

> Can customers be made to believe more in that a corporation guarantees the quality of any products produced by it by making the corporate name as umbrella brand in product names?

> Can investors be made to think that a corporation has strong brands by creating and presenting a seemingly coherent brand and brand family architecture and concealing some brands actually sold by the corporation?

> Can investors be made to perceive that a corporation has a clear product and business portfolio by creating and presenting a seemingly coherent brand and brand family architecture and concealing some brands actually sold by the corporation?

> Can investors be communicated to regarding the renewal of the corporation and its management by changes in visual identity, corporate name and definition of values?

> Can the general commitment of managers to the corporation and corporate strategies and goals be improved and change resistance and sub-optimization reduced by defining some kinds of values among managers, with the help of consultants?

> Can employees' change resistance and suboptimization be reduced by extensive and visible use of corporate symbols and the corporate name and minimal use of other symbols and names?

> Can private investors' and potential employees' awareness of the corporation abroad and, hence, demand for the share of the corporation be increased or recruitment of competent employees made easier merely by creating visibility for the corporate name in the daily life of ordinary people by having the corporate name appear in products or product packaging used by the people?

> Can both employees' pride for a corporation and identification with it and their having a way of working with some kind of attitude towards e.g. customers be strengthened by defining and communicating certain kinds of values?

Brand naming strategies in distribution channels with strong merchants

The Description and the Findings suggest that one particular domain in which special problems, or dissidence, emerged with the management practices of corporate branding related to the use of brand names and particularly the corporate name as part of product brand names was the existing distribution channels and intermediaries for the corporations' products. For instance, merchants were reluctant to accept changes in existing brand names, demanded exclusivity in selling a certain brand name in certain market areas, and were reluctant to sell products with the name of the producer company as part of the brand names. It seems that earlier research concerning brand name strategies in relation to products sold through distribution channels with these kinds of problems with intermediaries is sparse (cf. Rosenbröijer 1994, 2001) and would be an interesting subject of further research, when it comes not only to Finnish P&P corporations but also to similar corporations and, in general, to corporations with similar distribution channels.

Further research concerning the above brand name strategies becomes even more interesting when considering that e.g. the merchants to which the Finnish P&P sell are, on the one hand, strongly demanding the possibility to sell products with private label brands and, on the other hand, increasingly often willing to engage in cooperative long-term marketing efforts with certain producers. And it becomes even more interesting when considering that e.g. the merchants to which the Finnish P&P corporations sell are often quite dependent on these, the largest producers in Europe and the World: at least for a large merchant, changing suppliers for large volumes of products over night is not very easy, since other producers are often selling most of their production in on-going relationships with other merchants. Considering also all these aspects in relation to the brand name strategies would, indeed, warrant further research. And this would again concern not only the Finnish P&P corporations but also other similar corporations and, in

general, corporations with similar distribution channels – which more and more often have to consider similar aspects with regard to intermediaries, due to e.g. consolidation of both producers and intermediaries, as well as the trend towards more private label products.

15.2.3 Marketing the corporation simultaneously to various stakeholders

Managing relationships to various stakeholders simultaneously

In the Conclusions, I claimed that the management of the Finnish P&P corporations was interested in corporate branding, as it would widely serve various interests related to the management of relationships not only to customers but also to investors and investment analysts, to and between own employees and managers, and to potential employees. I also claimed that the management of these relationships became strongly intertwined. This can be considered to make corporate branding and some of the related management practices in the Finnish P&P corporations instances of strategic corporate management practices whereby relationships to not only certain stakeholders, e.g. customers, are managed but relationships to various stakeholders are managed simultaneously. It also speaks for an interpretation of corporate branding and some of the related management practices in the Finnish P&P corporations as instances of marketing the corporation not only to customers but simultaneously to various stakeholders, including also e.g. investors and investment analysts and current and potential employees.

A very interesting subject of further research would be other possible instances of concrete strategic corporate management practices whereby relationships to various stakeholders are managed simultaneously, or the corporation marketed simultaneously to various stakeholders – whether the strategic management practices were being developed under the notion of "corporate branding" or not. Already as far as the Finnish P&P corporations are concerned, also other instances of such strategies can be pointed out from the Description, *before and beyond* the interest in corporate branding.

As an example, when it comes to other strategic corporate management practices whereby relationships to customers and investors were managed simultaneously, in acquiring companies and production capacity in the USA, there were interests in increasing the credibility and attractiveness of the corporation among both investors and customers in the USA and, hence, increasing the demand for the share of the corporation, as well as for its products and services. Also, there was the interest in increasing the credibility of the corporation's share listing on the local stock exchange, NYSE. In listing the share there, in turn, there were further interests in increasing the credibility and attractiveness of the corporation among both investors and customers in the USA, as well as simply increasing the liquidity of the share, and hence, further in increasing the demand for the products and services and shares of the corporations. As another example, in defining principles and policies for environmentally and socially responsible behaviour of the corporation, there would be interests in directly increasing the attractiveness of the corporation among both environmentally and socially conscious customers and investors. And as yet another example, in widening the product range of the corporation, there would be interests in meeting the demands of customers needing many different products, as well as in meeting the demands of investors concerning reduction of the corporation's vulnerability to business cycles.

As an example when it comes to other strategic corporate management practices whereby relationships to customers and existing employees were managed simultaneously, in defining principles and policies for environmentally and socially responsible behaviour of the corporation, there were interests in directly increasing the attractiveness of the corporation among also environmentally and socially conscious potential employees. As another example, in having a unified visual identity for the corporation, there were interests in increasing the identification of the existing employees with the corporation and in emphasizing the size, delivery reliability, and wide product range of the whole corporation to customers.

So, I suggest further research concerning various instances of strategic corporate management practices whereby relationships to various stakeholders are managed simultaneously, or the corporation marketed simultaneously to various stakeholders. More of this research deserves to be done not only with regard to the Finnish P&P corporations but corporations in general – existing research seems sparse (cf. Aspara, Tikkanen, and Olkkonen 2006). And with stakeholders, I naturally mean not only customers, investors and investment analysts, and current and potential employees – albeit that their role is emphasized in the Findings and Conclusions and the above examples – but potentially also others, such as governments, politicians, authorities, NGOs, labour unions, etc.

Moreover, it could be especially interesting to study further particularly such various instances of such strategic corporate management practices whereby attempts are made to have individuals representing certain stakeholders of a corporation to become representatives of also some other stakeholders or to influence them as such – whereby synergies are attempted to be gained from them potentially representing also other stakeholders. In the present study, an example was the grouping of brands into a corporate master brand family, especially when it comes to office paper products sold with brands owned by the corporation and ending up in the hands of ordinary people at companies, public institutions, and homes in the corporation's packaging. The individuals' awareness of the corporation would increase and they could have the role of not only end-users but also that of potential private investors or employees for the corporation.

Finally, it has to be noted that the other side of the coin of research concerning various instances of strategic corporate management practices whereby relationships to various stakeholders are managed simultaneously would be to study how certain management practices realized in order to manage relationships to certain stakeholders can adversely affect the management of relationships to other stakeholders. It would be interesting to identify and study further such management practices.

Benefiting from marketing competencies in managing relationships to various stakeholders and cooperation between managers

In the Conclusions, I further claimed that the corporate marketing managers of the Finnish P&P corporations engaged in and expanded their domain of influence and control to the management of relationships to investors, to and between own employees and managers, and to potential employees. This can also be considered to speak for an interpretation of corporate branding in the Finnish P&P corporations and related management practices as instances of marketing the corporation not only to customers but simultaneously to various stakeholders, including e.g. investors and employees.

An interesting subject of further research would be other possible instances – than those of corporate branding and related management practices in the Finnish

P&P corporations – of marketing managers engaging in management of relationships to other stakeholders than customers, or, again, the corporation marketed to also other stakeholders than customers. More of this research deserves to be done not only with regard to the Finnish P&P corporations but corporations in general – existing research seems sparse. Further, an interesting subject of further research would be how the special competences of marketing managers regarding marketing to customers and management relationships particularly to customers and their involvement in the management of relationships to e.g. investors and investment analysts and current and potential employees can contribute to developing innovative strategies of managing these relationships and implementing them effectively.

Finally, an interesting subject of further research would also be how to facilitate the benefiting from marketing competences related to management of relationships to customers in the management of relationships to other stakeholders, such as investors and investment analysts and current and potential employees. On the other hand, an interesting subject of further research would be how to facilitate the cooperation of managers primarily responsible for managing certain stakeholder relationships with the marketing managers, in order to ensure innovative and effective strategies whereby a corporation would be marketed simultaneously to various stakeholders.

15.2.4 Long-term marketing to customers while ensuring continuity of day-to-day business

In the Conclusions, I claimed that corporate branding and the related management practices in the Finnish P&P corporations served, to some extent, the interest in having customers perceive the corporation's offering as something new, e.g. various services and help in specifying customers' business needs and problems and in finding the optimal product and service solutions – rather than perceive the offering being simply products to fairly well-specified needs. I also claim this as having been an instance of long-term marketing Othering short-term marketing and sales.

An interesting subject of further research would be to study strategies by which the Finnish P&P corporations, or any other corporations, can effectively change customers' perceptions of the corporation's offering, make them consider the attractiveness of this, and make them demand more of it, but doing this in a way that would not hinder continuing to effectively offer customers also the offering they have been used to and find most attractive in short term. In a way, I, hence, call for more research to strategies of long-term marketing which would not Other, or compromise, short-term marketing and sales, or day-to-day business, too much but would ensure continuity.

15.3 Implications for further research: Use of ANT approach

15.3.1 Studying (fashionable) management practices

The present study of the management becoming interested in corporate branding can be considered to be a study of management becoming interested in certain new management practice(s) or administrative innovations. Moreover, it can even be

considered a study of management becoming interested in a certain new *fashionable* management concept or technique – "corporate branding". Further research into what *concrete* management practices the management of corporations actually becomes interested in as they become interested in certain organizational innovations or fashionable management concepts or techniques, as well as how they become interested in them, would be worthwhile. This is particularly true, since earlier research into the adoption of organizational innovations and fashionable management practices has focused on their macro level diffusion patterns in fields of companies and paid little attention to the issue of how individual companies and their management adopt and socially construct or "translate" them (cf. Zbaracki 1998; Mueller and Carter 2005; Morris and Lancaster 2006). In studying further how the management in individual companies becomes interested in adopting new (fashionable) management practices – without viewing them as something that merely diffuse to the companies as ready-made – the use of ANT approach can be an option with great potential.

On the other hand, besides myself in the present study, researchers especially in accounting and MIS have used ANT in studying the development and adoption of new accounting and information management practices in individual companies (e.g. Bloomfield et al. 1992; Ezzamel 1994; Bloomfield and Vurdubakis 1994; Bloomfield and Danieli 1995; Bloomfield 1995; Chua 1995; Lehoux et al. 1999; Füssel and Georg 2000; Mouritsen et al. 2001; Lowe 2001; Scott and Wagner 2003; Mouritsen and Flagstad 2005; Holmström and Robey 2005). This is promising. Nevertheless, these studies have, due to the roots of the ANT tradition, rather exclusively concentrated on management practices centrally involving technologies or information systems. Further studies with an ANT approach – more or less similar to the present study – may thus be warranted into management practices *not* centrally involving technologies.

Particularly, one could ask – like this study has, in a way, asked for corporate branding – what *concrete* management practices a new (fashionable) management practice which the management of a certain corporation becomes interested in comprises. Second, one could ask what management interests the concrete practices serve. This should be studied both in terms of integral matrices in which various interests and concrete management practices match and in terms of individual matches of certain management interests and their translations to management practices (cells in the matrices). Third, one could ask under what kind of preconditions the management becomes interested in the new (fashionable) management practice in a certain corporation.

15.3.2 Using ANT approach in general

In general, when it comes to using an ANT approach in studying and analysing, I suggest further research in the fields of management and organization, to new phenomena other than such where technologies or accounting practices have a central role (see Introduction and Appendix A). The present study is one instance of such research but more research deserves to be done to explore the potential of ANT approaches. Moreover, I suggest further research positioned somewhat similarly in terms of ANT as the present research (see section 1.3.4) also when it comes to e.g. focus on empirical account in generating theoretical insights and the phenomenon under study involving a historical change in the state of affairs. Also, I suggest that further research be done particularly to phenomena involving historical changes in the state of affairs towards some outcomes which make up riddles – in the present study, the riddle outcome was the management being

interested in corporate branding. I believe that in doing this kind of research in particular, researchers can benefit from the potential of an ANT approach in questioning conventional wisdoms concerning varied phenomena and generating new theoretical insights about phenomena, especially new phenomena, as well as in simply providing interesting historical descriptions as such.

Particularly concerning various new management concepts, I suggest further research with an ANT approach, helping to pay attention to similar issues to which my study has attempted to pay attention to: (1) how individual companies and their management actually become interested in new management concepts; (2) how a new concept does not merely diffuse as ready-made to a company or (3) due to certain forces conceptualized by researchers; (4) how the interest in a new concept emerges in a historical process in relation to the black-boxing of certain aspects and ultimately at a certain moment in the history; (5) how the management is not a uniform and unproblematic subject existing in the order of things but may get constructed as a more unified entity with interests in the new concept; and (6) how controversies and power issues among managers are at play in the emergence of interest in a management concept.

Regarding the suggested focus in further research on empirical descriptions of phenomena – be they management becoming interested in certain management concepts or practices or something totally different – I further want to encourage other researchers to explore the potential of the mode of research I explored. That is, a mode of research where one makes further, more concise findings and conclusions concerning the phenomenon under study on the basis of an actual ANT description but beyond it. First, I encourage attempts at answering to certain research questions concerning the phenomenon not only by way of the whole description as such but by additionally presenting findings concerning the research questions in a somewhat concise way. Second, I encourage attempts at looking into the ANT description by discussing earlier research and work related to the phenomenon under study, as well as theoretical concepts from that and other research. Via such discussion, I encourage making Conclusions which emphasize such aspects of the Description and Findings to which earlier work has paid less attention, possibly interpreting the aspects in terms of the theoretical concepts outlined by others, to the extent that the aspects clearly reflect or are instances of the concepts and their suggested definitions. In making the Conclusions, not only will looking into the interests that have been served in the developments be helpful, but so will looking into the interests that have been Othered.

When it comes to analysis and writing the ANT descriptions in practice, in further research, more systematic approaches could and should be developed, particularly to address the challenges of determining at which level of detail to describe entities related to various interests and mobilizations (see section 4.2.1 and Appendix D). I experimented in the present study, to some extent, with an idea of an approach whereby further entities and component entities of entities would be described in writing all the way to the levels where, for instance, what entities would do to other entities and make them do, as well as what component entities certain entities would have, would start to be such that they would be highly taken-for-granted not only to actors themselves but also to me as the researcher and to readers of the research. This would be important, on the one hand, to make the description understandable to readers and, on the other hand, to limit the level of detail in which the description was written to some level – not to end up e.g. at atomic level interactions and beyond. In any case, developing this approach to be more systematic, or developing other systematic approaches is needed.

Finally, while struggling with conducting the study with the ANT approach, I realized that the phenomenon I was studying, the riddle, i.e. the management of the Finnish P&P corporations becoming interested in corporate branding, involved quite complicated and enormous processes and developments without highly central (material) objects, when compared to phenomena studied in most earlier ANT studies. To simplify, I practically felt need to describe most aspects of the whole development of the business of the Finnish P&P corporations during a couple of decades in order to solve the riddle. This contrasts to phenomena studied in many earlier ANT studies. Earlier ANT studies often concentrate on analysing in detail relatively short-term and seemingly simple projects centrally involving certain objects, such as introduction projects of technological devices or information systems. Some studies even focus on studying simple objects, such as road bumps, keys, or door-closers. These can be considered phenomena which are readily less complicated, more limited, less enormous, and more modest than e.g. the phenomenon I studied – and do not necessarily even involve any processes or developments. It seems that studying these kinds of phenomena with an ANT approach will readily be far easier than studying complicated and enormous processes and developments like I attempted to do. In studying the former, one can concentrate on making very detailed descriptions of the various entities involved, which will be relatively few – dig deep and often deeper than readers of the study have been used to, meaning that they will not notice if something quite relevant is left undescribed and are likely to find the description very insightful. On the other hand, in studying complicated processes, one has to be careful not to make too detailed a description in order to avoid the description getting extremely lengthy – still one would have to describe all the various entities, whose description, if left undone, some readers will inevitably long for. Moreover, making many-faceted descriptions of e.g. Othernesses is difficult if the length of the description is to be kept reasonable. Thus, there is a challenge for researchers to make further research with an ANT approach especially concerning studies of phenomenon involving complicated and enormous processes.

15.4 Implications for managers

15.4.1 Understanding the collective interest in corporate branding

One of my conclusions above was that an individual manager of a Finnish P&P corporation did not become interested in all the management practices of corporate branding of the "matrix" and an individual manager did not have all the management interests of the matrix strongly, either. Rather, the management, including individual top managers, line managers, corporate marketing and communications managers, finance managers, investor relations managers, human resources managers, division managers, etc., somewhat *collectively* became interested in corporate branding. Certain new management practices – of corporate branding – served at least some interests of most of the different managers – interests which they had recently, by the turn of the century, begun to have strongly.

An implication of this is that individual managers of the P&P corporations or other similar corporations, which have engaged in corporate branding, may not – even themselves – be aware of or understand why or how the interest in corporate branding has emerged in their corporations and become so strong, in a collective sense. The Findings and Conclusions of the present study will improve their

understanding of what interests the management practices of corporate branding have been seen to potentially serve. It also improves their understanding of which the domains of management are and who the managers are, whose interests have been served the most. These domains included, in the case of corporate branding, e.g. the management of relationships to investors and employees. The managers included e.g. managers responsible for these domains, as well as the corporate marketing and communications managers.

At the same time, the present study improves the managers' understanding of what interests have been potentially Othered, as the management collectively became interested in management practices of corporate branding. It also improves their understanding of which the domains of management are and who the managers are, whose interests have been Othered the most. These domains included, in the case of corporate branding, e.g. the short-term marketing and sales. The managers included e.g. sales marketing and division marketing and line managers.

All in all, improving the understanding of the managers concerning their own and the collective interests – those served and those Othered – arguably increases the quality of management. It is also likely to facilitate managerial cooperation in the pursuit of such management practices that would serve the interests of different domains of management and of different managers better together and that would minimize the suppression of certain management interests.

15.4.2 Marketing the corporation simultaneously to various stakeholders

The above discussion of implications for further research concerning marketing the corporation simultaneously to various stakeholders (section 15.2.3) can be considered to suggest implications for not only researchers but managers, too – at least for managers of corporations similar to Finnish P&P corporations.

First, innovative strategic corporate management practices whereby relationships to various stakeholders are managed simultaneously, or the corporation marketed simultaneously to various stakeholders, should be developed and experimented with. Further, particularly innovative strategic corporate management practices whereby attempts are made to have individuals representing certain stakeholders of a corporation to become representatives of also some other stakeholders or to influence them as such – whereby synergies are attempted to be gained from them potentially representing also other stakeholders – should be developed and experimented with. This could be done in the name of "corporate branding", albeit the label given to the practices should not be decisive.

Second, corporations should develop and experiment with new ways of facilitating the benefiting from marketing competences related to the management of relationships to customers in the management of relationships to other stakeholders, such as current and potential employees and investors and analysts. They should also develop and experiment with new ways of facilitating cooperation of managers primarily responsible for managing certain stakeholder relationships with the marketing managers. The benefiting from marketing competences related to management of relationships to customers and the cooperation between managers would contribute to the development of innovative strategic corporate management practices whereby a corporation would be marketed simultaneously to various stakeholders and to their effective implementation.

Closely related particularly to these direct implications, further implications for managers can be pointed out. These concern "corporate tenaciousness" and incentives for managers in marketing the corporation simultaneously to various stakeholders.

Corporate tenaciousness in marketing to various stakeholders

While there were interests related to managing (simultaneously) relationships to various stakeholders, such as customers, investors, and own and potential employees, my Findings and Conclusions suggest that, particularly interests related to the management of relationships to customers were also Othered by the management practices of corporate branding. Further, it is suggested that particularly managers who were accountable for managing relationships to customers in terms of e.g. sales volumes and/or profits from selling certain products and/or from selling to certain customers and who were little accountable for managing relationships to investors and investment analysts, to and between own employees and managers, or to potential employees would speak for the Othered interests. In effect, the resistance of these managers', including e.g. sales managers and division and mill marketing and line managers could hinder the development of innovative strategies of managing relationships to e.g. investors or employees and implementing them effectively.

To the extent that the resistance by some managers may be about "turf protection", what is needed in the corporate management is more "corporate tenaciousness". Namely, if the top management understands the benefits from engaging in marketing the corporation to e.g. investors and employees simultaneously as to customers, it should quite tenaciously speak for and introduce corresponding management practices. This it should do by removing motives for some managers' resistance, or even in spite of the resistance. For instance, it seems that in the Finnish P&P corporations, there were (top) management interests in having the corporate name as part of office paper brand names e.g. to increase investor awareness of the corporation, but partly due to the resistance by some managers, the corporate name was not introduced into any office paper brand names (except for the eventual introduction of "UPM Office"). It may be that more corporate tenaciousness would have been needed. Nevertheless, managers have to be, of course, wary of how certain management practices realized in order to manage relationships to certain stakeholders, e.g. investors, can adversely affect the management of relationships to other stakeholders, e.g. customers or current or potential employees.

Accountability and incentives of managers for marketing the corporation

Part of the resistance problem will just be related to certain managers being accountable – and provided incentives – only for managing relationships to e.g. customers and not in any measure for managing relationships to e.g. investors and analysts, to and between own employees, or to potential employees. For instance, if a sales or marketing manager is evaluated and compensated on the basis of products sold, it is quite natural that he/she will not be interested in cooperating in efforts to promote the corporation to investors or making employees prouder of or identify themselves more with the corporation – especially in case they, in his/her opinion, do not help or could compromise, even in a small way, the product sales.

So, if the top management is interested in marketing the corporation to various stakeholders more or less simultaneously, it may be worthwhile and even

necessary to make the managers primarily responsible and accountable for managing relationships to certain stakeholders, e.g. customers, accountable also for managing relationships to the other stakeholders and provide them incentives for doing this. This, in turn, would mean e.g. evaluating and compensating them also on the basis of managing relationships to these other stakeholders.

15.4.3 Long-term marketing to customers while ensuring continuity of day-to-day business

Also the above discussion of implications for further research concerning long-term marketing and changing corporation's offering to customers (section 15.2.4) can be considered to suggest implications for not only researchers but managers, too – at least for managers of corporations similar to Finnish P&P corporations.

Such innovative corporate strategies should be developed and experimented with whereby a corporation could effectively change customers' perceptions of the corporation's offering, make them consider the attractiveness of this, and make them demand more of it, but in a way that would not hinder continuing to effectively offer customers also the offering they have been used to and find most attractive in short term. From this implication, parallels can be drawn to an important insight by Hargadon and Douglas (2001), implying that concrete details of new innovative offerings should reflect "robust design" so that they fit to what existing users and customers have accustomed to – their schemes and scripts – but so that they retain the possibility for users and customers to slowly change themselves and find new ways to interact with the innovation. This is also consistent with the suggestion that sustained performance and success of an organization calls for balancing between two types of innovative activities, (1) exploitation and (2) exploration (e.g. Levinthal and March 1993; Lewin and Volberda 1999; see also March 1991). Exploitation can be considered to be based on the organization's current knowledge, resources, and capabilities, whereas exploration can be considered to involve search for new knowledge, resources, and capabilities, relative to the current ones. In general, such innovative corporate strategies should be developed and experimented with whereby pursuing long-term marketing objectives would not excessively compromise short-term marketing and sales and the continuity of day-to-day business.

Closely related particularly to this direct implication, further implications for managers can be pointed out. These concern "corporate tenaciousness" and accountability and incentives for managers in long-term marketing.

Corporate tenaciousness in long-term marketing to customers

As far as particularly managing relationships to customers is concerned, my Findings and Conclusions suggest that there were interests in having customers perceive, to some extent, the corporation's offering as being something new, e.g. various services and solutions help, and in having them demand this. However, is it also suggested that interests could be Othered particularly in continuing the day-to-day business as usual with the main offering being sales of products to fairly well-specified customer needs. Further, it is suggested that particularly managers who were accountable for managing relationships to customers in terms of e.g. sales volumes and/or profits from selling certain products would speak for the Othered interests. In effect, the resistance of these managers, including e.g. sales managers and division and mill marketing and line managers could hinder the development of innovative strategies of creating new kinds of offerings and

changing the customers' perceptions of the corporation's offerings, having them consider their attractiveness, and creating more demand for them instead of having the customers continue to demand only the traditional offering forever – while still, of course, ensuring the continuity of day-to-day business and sales of traditional offering.

To the extent that the resistance by some managers may be about stubborn conservatism for doing things the way they have always been done, what is needed in the corporate management is, again, more "corporate tenaciousness". Namely, if the top management anticipates that the corporation is able to create superior value for customers with a new offering, it should quite tenaciously speak for it and introduce management practices geared to ensure that the own employees will have the attitude to contribute to the provision of the offering and that customers will perceive the corporation's offering being renewed, consider its attractiveness, and start to demand it, substituting for the traditional offering. This it should do by removing motives for some managers' or employees' resistance, or even in spite of the resistance. At the same time, however, the management has to be cautious to ensure the continuity of the day-to-day business and the sales of the traditional offering, which the customers will, in the short term, find most attractive.

Accountability and incentives of managers for long-term marketing

Part of the resistance problem will just be related to that the managers who are primarily responsible and accountable for managing relationships to customers will be held accountable and provided incentives only for short-term marketing and continuing sales of current offering and not for long-term marketing and e.g. for changing the customers' perceptions of the corporation's offerings, having them consider their attractiveness, and creating more demand for them.

So, if the top management is interested in the development of innovative strategies of long-term marketing, while not compromising short-term marketing and sales and day-to-day business and its continuity too much, it may be necessary to make the managers who are primarily responsible and accountable for managing relationships to customers accountable also for longer-term marketing objectives and provide them incentives for pursuing these, rather than merely for e.g. maximizing sales volumes from selling certain products. This, in turn, would mean e.g. evaluating and compensating them also on the basis of long-term marketing objectives, for instance on the basis of changes in customers' perceptions of the corporation and its offering, their evaluation of the attractiveness of new offerings, and their demand and purchases related to new offerings.

15.5 Summary of the contributions of the Thesis

Table 12 provides a summary of the contributions of this Thesis to different research areas: marketing research, concerning (corporate B2B) branding research and beyond; general management and organization research; Finnish P&P industry research; and ANT research. Note that although the Table recaps some of the main conclusions of the Thesis, it does not aim to be a summary of the findings and conclusions. Especially concerning contributions to corporate branding research and Finnish P&P industry research, many important findings and conclusions are excluded from the Table for reasons of brevity. The reader should consult Chapters 13 and 14.1 to learn about them in a somewhat concise form.

Table 12: Summary of the contributions of the Thesis to different research communities

Research community	Contributions of the Thesis

Marketing research: (corporate) branding research, (corporate) B2B branding research	*("Branding" is for B2C companies*
	 → *B2B companies should not be very interested in "branding".*
	 B2B companies have always recognized the importance of company or supplier reputation/image
	 → *B2B companies should always have been interested in "corporate branding"/corporate reputation-/corporate image building.* →)
	
	 [Findings/Conclusions]
	 Why did the management of B2B companies (Finnish P&P companies) become interested in corporate branding?
	 • Marketing the corporation also to investors and employees
	   – Management interest in corporate branding related strongly not only to the management of relationships to customers but also to the management of relationships *to investors and investment analysts,* of internal relationships *to and between own employees and managers*, and of relationships *to potential employees.*
	   – In corporate branding, the management of relationships to customers, investors and investment analysts, to and between employees and managers, and to potential employees became intertwined.
	   – Corporate branding served less controversially interests related to the management of relationships *to investors, to and between employees and managers,* and *to potential employees,* than those to customers.
	 • Marketing the corporation to investors and investment analysts
	   – increasing investor awareness of the corporation as a paper and board company
	   – communicating a clear and focused portfolio of core products and businesses to investors and analysts
	   – emphasizing the corporation's brands to investors and analysts
	   – signalling renewal to analysts and investors;
	   – communicating an image of the corporation's behaviour as environmentally and socially responsible
	 • Marketing the corporation to current and potential employees
	   • Internal marketing
	     – having employees adopt a way of working with more of a certain attitude
	       – e.g. a proactive customer-helping attitude or environmentally and socially responsible attitude
	     – obtaining the best possible employees and motivating them to do the best possible work for corporate strategies and objectives
	       – increasing potential employee awareness of the corporation
	       – having employees identify themselves with and be proud of the corporation (reducing suboptimization and change resistance)
	       – committing managers to corporate strategies and goals (reducing suboptimization and change resistance)
	   • Internal branding
	     – having employees understand basic branding notions and how their attitude and way of working would be crucial when it comes to making customers and other external stakeholders perceive the corporate brand as desired
	 • Marketing to customers: especially long-term marketing
	   – having customers perceive, consider the attractiveness of, and demand a new kind of offering by the corporation
	     – de-emphasized: individual products
	     – emphasized: the corporation's whole product range, supply reliability, services, and solutions help
	   – short-term marketing and sales potentially Othered
	   – segmentation and differentiation potentially Othered
	   – also: making customers indifferent of which mill produced the products
	 • *For individual management interests in corporate branding, see Findings (section 13.2) and Conclusions (section 14.1.2)*
	
	 [Findings/Conclusions]
	 Concrete management practices of corporate branding in which the management of B2B companies (Finnish P&P companies) actually become interested
	 • The management became integrally interested in various management practices of
	   – (1) managing the brand hierarchy of the brand portfolio,
	   – (2) having corporate name dominance in association to product brands and units of the corporation, and
	   – (3) defining and communicating aspirational brand identity/image values
	 • *For individual management practices, see Findings (section 13.2) and Conclusions (section 14.1.1)*
	
	 [Findings/Conclusions]
	 Translations of management interests to management practices of corporate branding in B2B companies (Finnish P&P companies):
	 • *For individual translations, see Findings (section 13.2) and Conclusions (section 14.1.3)*
	
	 [Findings/Conclusions]
	 Preconditions for the management interests in corporate branding in B2B companies (Finnish P&P companies)
	 • *For preconditions for corporate branding, see Findings (section 13.1)*

Marketing research: beyond branding research	[Findings/Conclusions]
	 Marketing the corporation simultaneously to various stakeholders
	 • Corporate branding (in the Finnish P&P corporations) as an instance of
	   – strategic corporate management practices whereby relationships not only to certain stakeholders, e.g. customers, are managed but relationships to various stakeholders are managed simultaneously
	   – marketing the corporation not only to customers but simultaneously to various stakeholders, including also e.g. investors and investment analysts and current and potential employees
	 • Corporate branding (in the Finnish P&P corporations) as an instance of such strategic corporate management practices whereby attempts are made
	   – to have individuals representing certain stakeholders of a corporation to become representatives of also some other stakeholders, or to influence them as such

	[Findings/Conclusions] **Long-term marketing to customers with risk to the continuity of day-to-day business** • Corporate branding (in the Finnish P&P corporations) as an instance of – an attempt at having customers perceive the corporation's offering as something *new*, make them consider the attractiveness of it, and make them demand more of it – but – involving the risk of hindrance to continuing to effectively offer customers also the offering they have been used to and find most attractive *in short term* (products to well-specified needs) – involving the risk of hindrance to short-term marketing and sales and continuity of day-to-day business **[Findings/Conclusions]** **Role of marketing managers** • In corporate branding, the *corporate marketing managers* – increased their influence and control on the management of relationships to *customers*, especially on the *day-to-day business*, – thus reducing the power of division and mill marketing people, as well as salespeople. – expanded their domain of influence and control to the management of relationships to *investors* quite from scratch. – expanded their domain of influence and control on the management of relationships to and between the *corporation's own employees and managers* and to *potential employees* quite from scratch. • In corporate branding, the corporate marketing (communications) and corporate communications functions came to combine forces and cooperate more closely than before.
General management and organization research	**[Findings/Conclusions]** **Corporate branding and changing power relations in the management (of Finnish P&P companies)** • In corporate branding, the *corporate marketing managers* – increased their influence and control on the management of relationships to *customers*, especially on *the day-to-day business*, – thus reducing the power of division and mill marketing people, as well as sales people. – expanded their domain of influence and control to the management of relationships to *investors* quite from scratch, – expanded their domain of influence and control on the management of relationships to and between the *corporation's own employees and managers* and to *potential employees* quite from scratch., – thus reducing the power of e.g. human resources managers and the managers of divisions, mills, and sales offices. • In corporate branding, the *corporate communications managers* – increased their influence and control on the management of relationships to *customers*, especially on the *day-to-day* business, – thus reducing the power of division and mill marketing people, as well as sales people. – increased their influence and control on the management of relationships to *investors*. – increased their control on the management of relationships to and between the *corporation's own employees and managers*, – thus reducing the power of e.g. human resources managers and the managers of divisions, mills, and sales offices. • In corporate branding, the corporate marketing (communications) and corporate communications functions came to *combine forces and cooperate* more closely than before. • In corporate branding, the *corporate head office* – expanded its domain of influence and control to marketing, in the sense of the management of relationships to *customers*, – thus reducing the power of divisions, sales offices, and mills. – increased its influence and control on the management of relationships to individual *own employees and managers*, particularly to customer-service and salespeople but also to others employed by sales offices, divisions, and mills, – thus reducing the power of sales offices, divisions, and mills. **[Findings/Conclusions]** **Adoption of administrative innovations or fashionable management concepts/techniques** • the adoption of a new (fashionable) management concept/technique in a *matrix*: – (1) various individual management interests of different managers being served by a new certain individual management practice; – (2) a certain individual management interest of certain managers being served by various new individual management practices, – (3) the management interests served by the new management practices being stronger than certain management interests Othered by the management practices • The management became *collectively* interested in the new management concept/technique, as certain new concrete management practices proposed served at least some interests of different individual managers (interests which they had recently begun to have strongly). – An individual manager did not have all the interests of the matrix strongly and was not interested in all the individual management practices of the matrix. – The corporate marketing and communications managers proposed the matrix to others most actively and with most agility. **[Findings/Conclusions]** **Decoupling** • focusing promotion on one brand per product – an instance of *decoupling* – Customers, investors, analysts, and employees would observe only one brand of the corporation per product even if the same product was sold with several brand names of the corporation to different customers and markets and, additionally, with many more private label brands of intermediaries. – legitimacy from meeting e.g. the criteria of investors and analysts preferring corporations which own strong brands
Finnish P&P industry research	**[Findings/Conclusions]** • *See **Contributions** to Marketing research above* • *See **Contributions** to General management and organization research* **[Findings/Conclusions]** Management interest in corporate branding related to: • Recognition of the increasing importance of marketing, communication, and image-building • Urge to attract and satisfy investors and analysts

	• Recognition of the increasing importance of attracting and motivating employees [Historiography] Account of interrelated developments concerning the Finnish P&P corporations, between the early 1980s and early 2000s, related to • emerging and ever-strengthening orientation to the creation of shareholder value • attempts at creating added value and differentiating with products and with new kinds of offerings beyond products (services, solutions) • shift to selling products through the corporations' own international sales networks • international expansion to obtain considerable production capacity in new areas, also in developing countries • the increasing importance of and unpredictable changes in environmental and, later, social responsibility criteria and images [Historiography] Account of how the interest in (corporate) branding emerged related to above developments by the early 2000s and related to (international) mergers and acquisitions in the late 1990s and early 2000s.

ANT research	[Study/Analysis]
	Use of ANT approach
	• in studying
	   – a management phenomenon not centrally involving technologies or accounting practices
	• in studying the emergence of management interests
	   – in a new (fashionable) management concept
	   – in a new (fashionable) management concept which does not centrally involve technology or accounting practice
	   – attention to
	      – (1) how individual companies and their management actually become interested in new management concepts;
	      – (2) how a new concept does not merely diffuse as ready-made to a company;
	      – (3) how the interest in a new concept is not merely due to certain forces conceptualized by researchers;
	      – (4) how the interest in a new concept emerges in a historical process in relation to the black-boxing of certain aspects and ultimately at a certain moment in the history;
	      – (5) how the management is not a uniform and unproblematic subject existing in the order of things but may get constructed as a more unified entity with interests in the new concept; and
	      – (6) how controversies and power issues among managers are at play in the emergence of interest in a management concept.
	
	[Study/Analysis]
	Mode of research used
	• empirical ANT description as a solution to a riddle concerning a certain phenomenon
	• answering to certain research questions derived from the riddle by presenting Findings concerning the research questions in a fairly concise way
	• looking into the ANT description and Findings, by discussing earlier research and work related to the phenomenon under study, as well as theoretical concepts from that and other, related research
	   – making Conclusions which emphasize such aspects of the Description and Findings to which earlier work has paid less attention, possibly interpreting the aspects in terms of the theoretical concepts, to the extent that the aspects clearly reflect or are instances of the concepts and their suggested definitions.
	      – helpful to look into both interests that have been served and those that have been *Othered* in the developments
	
	[Study/Analysis]
	Studying complex and enormous process vs. simple objects/projects
	• Acknowledgement: Studying, with ANT (descriptive) approach,
	long-term, complex, and enormous processes which do not involve any central material object
	   – e.g. development of business and industry and emerging management interests,
	is far more difficult and challenging than studying and thoroughly analysing simple objects,
	   – e.g. door-closers, keys, or roadbumps,
	or short-term projects centrally involving certain objects,
	   – e.g. introductions of technologies or information systems.
	
	[Study/Analysis]
	"Cutting the network" and the level of detail in gathering and analyzing data and writing the description
	• Acknowledgement: In order to end up with a description which is understandable to readers, without having to describe atom-level details of interactions and components, attention has to be paid to:
	   – what informants take for granted,
	   – what the researcher takes for granted, and
	   – what the eventual readers are likely to take for granted
	concerning
	      – what certain entities do to other entities and make them do (e.g. It is self-evident that seeing a cat makes a dog bark or not?),
	      – what component entities certain entities have (e.g. Is it self-evident that seeing a cat is about seeing an animal in flesh or not?),
	      – what entities are instances of other entities (e.g. Is it self-evident that seeing a picture of Garfield makes a dog bark or not?).

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Interviews (details in Appendix C)

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Appendix A
ANT in management and organization studies

1   Use of the ANT approach in academic articles in management and organization studies

In the Introduction, I promised to review the use of ANT approach in management and organization studies. However, before embarking on any literature review or analysis, it is important to once again note that ANT is – or I consider it, informed by Law, Callon, and Latour, to be – an ontology or a "pencil" to study things. Consequently, there is not anything that could be easily understood as ANT body of knowledge in management and organization studies. In other words, ANT research cannot be considered a tradition that would internally generate any kind of accumulative knowledge or theory in fields of management and organization studies – if in any other field.

Taking into account the above, I found it neither reasonable nor necessary to conduct formal bibliometric analysis of articles using ANT. Also, I found it neither reasonable nor necessary to aim to compile a complete bibliography of those articles and analyse them thoroughly. To better understand this argumentation, consider if it would make sense for a researcher committed to other ontologies or ways to studying things, such as critical realism, social constructivism, or ethnography, to conduct a formal bibliometric analysis or aim at compiling a complete bibliography of articles which adopt a critical realist, a social constructivist, or an ethnographic approach, respectively. Nevertheless, what I did find both reasonable and necessary was to make a *fairly* extensive bibliographic analysis of the literature of what kind of subjects and phenomena have actually been studied in the name of ANT in the fields of management and organization studies, in order to get familiar with this emerging body of work.

The bibliographic analysis I conducted included two aspects: (1) articles published in academic journals in the fields of management and organization studies and (2) articles published in edited academic collections in the same fields.

In order to analyse articles published in academic journals in the fields of management and organization studies, I first conducted a search for such articles. I did this search in and through three electronic databases: ProQuest Direct, EBSCO Business Source, and Elsevier/ECONBASE. Together these databases can be considered to provide a very complete and extensive selection of journals and, hence, articles published in the fields in question. In the databases, I searched for articles published before June 2005, with "actor network theory" or "ANT" in title, abstract, citation, keywords, or subject fields. Out of the articles resulting from the searches, I excluded from subsequent analysis those that were not published in journals with subject focus on management or organization studies. Articles excluded this way had been published in journals with subject focus of e.g. engineering, geography, biology, medicine, science studies, sociology, and (political) economics. The excluded articles at this stage were not many, since the access I had to the databases prescribed that most journals and, accordingly, articles were readily focusing on management or organization studies.

Next, I read the abstract of each of the remaining articles, as well as reviewed its body text. While doing this, I used my subjective judgment to exclude from subsequent analysis articles which did not – traditionally seen – seem to relate to management or organization of businesses. The criterion for excluding articles was the lack of explicit analytical treatment of individual (business) organizations or their management. For instance, many of the articles excluded at this stage operated, traditionally seen, at society level. However, again the number of excluded articles was rather small, since the subject focus of the journals was fixed on management and organization studies.

In order to analyse articles published in edited academic collections in the fields of management and organization studies, it was also necessary to conduct initial search and exclusion. From the journal articles, I looked for references to articles in edited collections, using ANT approach. I also looked for references in "Actor-Network Resource" maintained by John Law in Lancaster University (Law 2004). The same subjective criteria were used for exclusion across these articles as for journal articles.

Through the above procedure, I was able to gather a bibliography of 76 academic articles using ANT approach in the fields of management, and organization. The articles in the bibliography are listed in Appendix B. Before going into a deeper analysis of the articles, the first thing to note is that the time of publication of these articles heavily concentrates on the late 1990s and, particularly, the early 2000s. This can be considered a sign of growing interest in ANT in the fields in question. A very recent example of this interest is the book published in

2005, *Actor-Network Theory and Organizing* (Czarniawska and Hernes 2005a), which significantly increases the number of articles released in 2005 in the bibliography.

To begin the actual analysis of the articles in the bibliography, I read each article through and analysed:

1. Focus of the article
   > empirical account /
   > conceptual development /
   > "ANT contribution" /
   > comparison of ANT with *x* /
   > suggestions for research program in field *f*
2. What the subject area of the publication outlet is,
3. What the phenomenon or concept under study is, and
4. What the empirical case or data is about.

First, I analysed *focus of the article*, i.e. what the article centrally focuses on. With focus on empirical account, I mean that the article centrally concentrates on giving local and contingent, empiria-based account of some phenomenon in certain context. With focus on conceptual development, I mean that the article centrally concentrates on conceptual thinking that would improve our understanding of some phenomenon or concept, relative to more traditional treatment of the phenomenon or concept. Note that most of these articles may provide certain modest empirical cases but which are chosen by the author essentially to illustrate his or her concepts and theoretical points. Note also that, in principle, I include to this class of articles those that use extensive empirical data but which do not make use of this data primarily to construct the local and contingent account of some phenomenon in certain context but rather to directly improve understanding of a phenomenon at a general level[886]. With focus on "ANT contribution", I mean that the article centrally concentrates on criticizing some aspect of ANT, or to be more precise, the understanding of some phenomenon or concept developed by earlier ANT writing, and attempts to expand this understanding. With focus on comparison of ANT with *x,* I mean that the article centrally concentrates on comparing understanding developed by earlier ANT writing concerning certain phenomenon or concept with that developed in other traditions. With focus on suggestions for research program in field *f*, I mean that the article centrally concentrates on suggesting to what kind of direction(s) research in a particular research field *f* could be taken if ANT approach or insights were used.

In general, I found analysing the focus of the articles important particularly because I consider ANT as an ontology and a way of studying things, which would render the articles focusing on local and contingent, empiria-based accounts of some phenomena most legitimate in claiming to be part of ANT corpus. Accordingly, when it comes to articles with focus on conceptual thinking, "ANT contribution", and comparison of ANT with *x*, the reliance of "arm-chair" philosophizing and lack of proper empirical account can be considered to detract from their legitimacy of claiming to be part of ANT corpus. If the view of ANT as ontology is adopted, particularly in the articles with focus on "ANT contribution", there is even the additional problem of that they often claim to expand ANT or make it more sensitive to something although one can question whether an ontology can be expanded or made more sophisticated without essentially changing it to into another kind of ontology. Finally, as far as articles with focus on suggestions for research program in field *f* are concerned, they can be useful in making the reader more familiar with ANT ontology and way of studying things and as sources of inspiration but tend to operate on meta-level, telling about ANT approach rather than using it in studying some phenomenon or concept.

The frequencies of the articles felling into the classes according to different type of focus are listed in Table . As seen from the Table, articles with focus on empirical account clearly dominate. Nevertheless, there are also many articles concentrating on conceptual thinking.

Table 13: Frequencies of ANT articles with different type of focus.

Article focus	Frequency
Empirical account	44
Conceptual development	23

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[886] Best example of this kind of article is that of Blackburn (2002), which makes use of interviews of mainly project managers and ANT concepts to improve understanding of the work of project managers.

"ANT contribution"	3
Comparison of ANT with x	2
Suggestions for research program in field f	4

Second, I analysed what the *subject area of the publication outlet* of the article is. I found it important to analyse the publication outlet in order to get a picture of how authors using ANT have positioned themselves in terms of subject area in the fields of management and organization studies. As a basis for classification, I used the classification of academic journals by subject areas by Harzing (2005). I first looked for the academic journals in which my articles had been published in Harzing's list. The frequencies of the journal articles felling into the classes according to subject area of the publication outlet are listed in Table [887], as far as the journals that appear on the list are concerned. As seen from the table, most ANT academic journal articles have been published in journals that have organization behaviour/studies, human resources management, and/or industrial relations as subject area. Many articles have been published also in journals that have general management and strategy, finance and accounting, or management information systems and knowledge management as subject area. The remaining few articles have been published in journals that have as their subject area: marketing; innovation; operations research, management science, and production and operations management; and public sector management.

Table 14: Frequencies of ANT journal articles published in outlets of different subject area.

Subject area of publication outlet	Frequency
Organization behaviour/studies, Human Resources Management, Industrial Relations	19
Finance and accounting	9
General [management] and strategy	6
Management information systems and knowledge management	3
Operations research, management science, production & operations management	3
Innovation	3
Marketing	1
Public Sector Management	1

For the articles that had been published in edited academic collections, I used the same basis of classification, interpreting subjectively to which class the edited collections in which they had been published would fall and counted the frequencies. I interpreted subjectively also to which class the journals that did not appear on Harzing's list would fall and counted the frequencies[888]. Then I combined these classifications and the frequencies with the one above. In doing this, I additionally combined two classes, i.e. those of "Organization behaviour/studies, Human Resources Management, Industrial Relations" and "General [management] and Strategy". The reason for this was that some of the edited collections were difficult to classify as mainly belonging to either one or another of these two classes. This was particularly the case with the very recent collection *Actor-Network Theory and Organizing* (Czarniawska and Hernes 2005a)[889]. At this stage, I also dropped the word "Finance" from "Finance and accounting" class name, as the publication outlets of all the articles falling into this class were accounting journals, and renamed "Operations research, management science, production & operations management" to "Project management", as the publication outlets of all the articles falling into this class were project management journals. The resulting frequencies of all of my 76 articles falling into classes according to subject area of the publication outlet are listed in Table . The publications with general management and strategy, organization behaviour/studies, human resources management and/or industrial relations clearly dominate, with more than a half of the articles having publication outlets falling to these subject areas. About a seventh of the

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[887] At this stage, none of the articles fell into the following classes: Communication, Economics, Entrepreneurship, Sociology, Tourism

[888] With the few journals that were not found in Harzing's list (2005), I used my subjective judgment and classified them. These journals included *Computer Supported Cooperative Work* (classified as OB/OS, HRM, IR), *Information Technology & People* (classified as OB/OS, HRM, IR), *Technology in Society* (classified as OB/OS, HRM, IR), *Journal of Computer Information Systems* (classified as MIS, KM), *Accounting, Management & Information Technology* (classified as Finance and accounting), *System Practice and Action Research* (classified as OB/OS, HRM, IR), *Journal of Management History* (classified as Gen & Strat)

[889] Other such edited collections included *Critical Consulting: New Perspectives on the Management Advice Industry* (Timothy Clark and Robin Fincham, eds. 2002)

articles have publication outlets with accounting as subject area and about a seventh of the articles with management information systems and knowledge management. Finally, there are individual articles whose publication outlets have marketing, innovation, project management, or public sector management as subject areas.

Table 15: Frequencies of ANT articles (including articles published in journals and edited collections) published in outlets of different subject area.

Subject area of publication outlet	Frequency
General [management] and strategy, organization behaviour/studies, Human Resources Management, Industrial Relations	47
Accounting	11
Management information systems and knowledge management	10
Project management	3
Innovation	3
Marketing	1
Public Sector Management	1

Third, I analysed what the *phenomenon or concept under study* or elaboration in the article was. I found analysing this paramount to the main objective of my bibliographic analysis, i.e. finding out what kind of subjects and phenomena have actually been studied in the name of ANT in the fields of management and organization studies. This analysis was based on what the author of the article explicitly treats as the phenomenon or concept under study in the introductory chapters of a given article.

Fourth, I analysed *what the empirical study is about*, as seen through very traditional and simplifying lens. I found this particularly important with respect to the articles that had empirical account in central focus. The analysis of what the empirical study is about would complement the above (3) analysis and improve my understanding of the phenomena or concepts under study in the articles. It could also reveal such patterns in the studies and such potential position in the academic discourse which could have been left unnoticed, in case the analysis had relied merely on subject areas of the publication outlets and phenomenon or concept under study as explicitly framed by the authors. Particularly the framing could sometimes, at least when seen through traditional and simplifying lens, seem like a rhetoric attempt to render the study a little more novel than it actually is.

As the most interesting general finding from analysing what the phenomena or concepts under study in the articles were and what the empirical studies were about (for detailed analysis, see Appendix B), I found out that a clear majority of the articles could be considered to essentially be technology studies, concentrating on the use, development and/or introduction of technologies, or accounting or MIS studies, concentrating on the use, development and/or introduction of accounting practices or systems or management information systems. I bundle here studies of accounting and management information systems together, because at least in the analysed articles and studies, the labels could have been used quite interchangeably. After all, both accounting and management information systems deal with how management gathers information about organization and its workings and takes advantage of this information.

In the last columns of the table of Appendix B, I have actually marked whether an article can be roughly considered to centrally deal with the use and/or development of a technology. I have also marked whether and article can be roughly considered to centrally deal with the use and/or development of accounting, or MIS. Note that most studies centrally dealing with technology or accounting systems deal with both their development and use. Note also that most articles centrally dealing with accounting systems also deal with technology. This is logical, since most modern accounting systems involve certain IT technology. Finally, I have marked articles that centrally deal with either technology or accounting systems or both of them by highlighting them with grey background colour. It can be noted that about half of all the articles (39/76) deal with technology and/or accounting systems and even three fourths (33/44) of the articles that focus on empirical accounting deal with technology and/or accounting systems.

Due to this interesting finding, I will now shift to looking at why and how ANT approach has been used in technology studies, on the one hand, and accounting and MIS studies, on the other. I do this overview primarily because I consider it important for getting familiar with the

extant ANT discussion within the fields of management and organization studies, even if the overview is not of any direct "theoretical" relevance to my own work.

2   Technology studies

To simplify, the articles of the bibliographic analysis which centrally focus on technologies deal with development, introduction, and use of technological artefacts, albeit that they usually refuse, consistent with ANT, to assume clear boundaries between these[890]. Further, some of the articles can be seen to focus on intra-organizational relations, whereas others can be seen to focus on inter-organizational relations. The articles with focus on intra-organizational relations can be considered to look into the role of technology in organizational work and management and to primarily fall into areas such as sociology of work, organizational behaviour and studies, industrial sociology, and industrial relations. Researchers of these areas started to be interested in ANT in the early 1990s. For instance, Grint (1991), viewed ANT as one contemporary theory of work organization in his introductory book *The Sociology of Work – an Introduction* (Grint 1991; see also Grint and Woolgar 1997). The articles with focus on inter-organizational relations, on the other hand, can be considered to often look into the development of new innovative technologies by one or more organizations to be marketed to or jointly used with other organizations or consumers. Thus, it could be intuitively reasonable that their publication outlets relate to marketing or innovation. However, perhaps surprisingly, only very few of these articles (Zackariasson and Wilson 2004; Akrich, Callon and Latour 2002a, 2002b) actually have marketing or innovation as the subject area of their publication outlet. Others are published subject areas of management, strategy, organization behaviour/studies, human resources management, and industrial relations; MIS and knowledge management; or accounting.

No matter whether the eventual focus is more on intra- or interorganizational relations, it is easy to understand why so many of the analysed articles and studies centrally deal with some kind of technology. Namely, many of the very first ANT studies by the original ANT authors, which have informed and inspired later ones, expressly did the same. One of the most influential ones was Callon's study of the development of an electric car by the French electricity company (e.g. 1979, 1981, 1986b, 1987), which I reviewed in section 2.2.1 of the Thesis. Another influential one was Law's study of the military aircraft TSR2, developed by British government and military (Law 1988; Law and Callon 1988, 1989, 1992). A third influential one was Latour's study of the development of a new city transport system Aramis in Paris, France (Latour 1992a, 1996). These studies can be seen to have acted as "role models" for the many studies centrally dealing with technologies in the fields of management and organization studies.

I claim that the influential early ANT studies of technologies should be understood as something resulting from the use of an ANT way of studying and analysing – the ANT "pencil". At the time they were conducted, this ANT pencil allowed, in Latour's words (2004), to produce some effects that could not have been well obtained by other social theories. Accordingly, these studies can be considered to have provided new theoretical insights to the (traditional) subject of technological development. Moreover, the concepts introduced and elaborated in the studies are best understood as vocabularies for illustrating the new theoretical insights and for analysing the development of technologies in later studies. Indeed, the ANT studies of technologies represented an attempt to find a neutral vocabulary to describe the actions of technology designers, or those who have been called "heterogeneous engineers" (Law 1987).

The perhaps most widely-reappearing vocabulary directly "applied" in ANT technology studies in the fields of management and organization studies is that articulated by Callon (1986a) in his classic study of group of scientists, their technological device, and attempts to domesticate the scallops and fishermen of St. Brieuc Bay in France. Basically, Callon gathered together terms developed by ANT authors in earlier studies, such as that of the electric car VEL, into a fairly concise vocabulary and represented the concept of translation process as consisting of four overlapping aspects or "moments": (1) "problematization" (see also e.g. Callon 1981, 1986b), (2) "intéressement" (see also e.g. Callon and Latour 1981) , (3) "enrolment", and (4)

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[890] A few studies (e.g. Brigham and Corbett 1997; Bruni 2005) seem to focus merely on use of technological artifacts, but most studies seem to view development, introduction, and use as intertwined and not distinguishable aspects of an ambiguous process of construction.

"mobilization". According to Callon, "these moments constitute the different phases of a general process called translation, during which the identity of actors, the possibility of interaction and the margins of manoeuvre are negotiated and delimited" (Callon 1986a, p. 203). I will not review the vocabulary of moments of translation here, because I illustrated their use already with the electric vehicle (VEL) example in section 2.2.1.

Another vocabulary which is directly applied in many ANT studies involving technologies is that developed by Akrich and Latour (Akrich 1987, 1992; Latour 1988a, 1991, 1992b; Akrich and Latour 1992). This vocabulary can be seen to have been developed even more explicitly than the above one by Callon to help sociologists understand just technologies. Latour, for instance, analyses a door-closer "to make a nonhuman delegate familiar to the ears and eyes of sociologists" (1988a, p. 308), or "to challenge some of the assumptions sociologists often hold about the social context of machines" (1992b, p. 227). Indeed, Akrich and Latour primarily take the viewpoint of designers of technology, of the heterogeneous engineers, and note that when they define the characteristics of their objects, they make hypotheses about the entities that make up the world into which the object is to be inserted (Akrich 1992). They define actors with e.g. specific interests, tastes, competencies, motives, aspirations, and political prejudices, and assume that morality, technology, science, and economy will evolve in particular ways. Thus, according to Akrich and Latour, large part of the work of innovators is that of "inscribing" their vision of (or prediction about) the world in the technical content of the new object. They call the final product of this work "script" or a "scenario". The idea of "inscription" implies also that many of the choices made by designers can be seen as decisions about what action should be translated, or "delegated" to a machine and what should be left to the initiative of human actors. In this way the designer expresses the scenario of the device in question – the script for future history of the object.

Latour (1988a, 1992b) gives an example by analysing a mechanical door-closer or groom as substitute for unreliable human porters. He views the groom as a delegated nonhuman character, a technology, whose only function is to open and close the door. Giving the groom with hinges, springs, and hydraulic pistons this function is a "delegation" of part of a "program of action" to it – there is a "distribution of competencies" between humans and nonhumans. The advantage is that one now has to discipline only one nonhuman. No matter who comes in or goes out, the groom will take care of closing the door. This is the script inscribed into this technology. The script has been translated from one repertoire to a more "durable" and "faithful" one through "transcription". Here the transcription goes from bodies to a machine, but as Latour (1992b) notes, this does not always have to be the case. He notes for instance, that the embodiment in cultural tradition of the user manual of a car is a transcription, too, and that specialists of robotics have abandoned the pipe dream of total automation and learned that many skills are better delegated to humans than to nonhumans, whereas others may be taken away from incompetent humans. This is an important point in implying that the critique sometimes directed to the ANT approach to technology as privileging machines (e.g. Collins and Yearley 1992) and advocating anti-humanism may be a result of some misunderstandings.

Back to the door-closer, it is important to note that even this solution is not without problems. The springs of the door-closer may be strong to the extent that you have to be very quick in passing through. Moreover, it may be that little kids or weak grandmothers may not be able to open the door. Thus, an unskilled nonhuman door-closer presupposes a skilled human user. The nonhuman delegate imposes behaviour back onto the human, which Akrich and Latour call "prescription". It is about the moral and ethical dimension of mechanisms. But prescription is also about the job expected to be done by the nonhumans. For instance, the hydraulic pistons and the spring of the door-closer are prescribed to work properly, which they may or may not do. So, in general, according to Latour (1992b), prescription (or "proscription" or "affordances" or "allowances") is whatever a scene presupposes from its transcribed actors and is very much like "role expectation" in sociology, except that it may be inscribed or encoded in the machine. The anticipated actors – humans and nonhumans – then react to what is prescribed to them through a degree of "subscription" or "de-inscription". Subscription is the way actors accept or happily acquiesce to their lot and de-inscription the way they tend to refrain from the prescribed behaviour. In other words, according to their own "programs" and "antiprograms", the actors either underwrite the prescription or try to extract themselves out of it or adjust their behaviour or the setting through some negotiations, or "trials of strength" or "trials of force". The difference between the prescriptions and the subscriptions defines the presence or absence of a conflict.

The vocabularies introduced above, as well as terms like "convergence" and "irreversibility", have been widely used in the studies dealing with technologies in the fields of management and organization studies in the 1990s and 2000s. Nevertheless, I argue that by the 2000s, the use of the vocabulary originally developed with ANT in the studies concentrating technologies yields few significant insights compared to many other approaches to technology studies that emerged in the late 1980s. To simplify, the vocabulary is now one among others that makes it possible to describe and explain the coevolution of what are usually distinguished as a sociotechnical context and sociotechnical content, or social shaping of technology, technology shaping social relations, and sociotechnical stabilization. Already an edited collection released in 1992, *Shaping Technology/ Building Society* (Bijker and Law 1992b), brought together several studies of technologies that were quite similar in their insights to those of the ANT authors, who also had their contributions in the book. As noted by the editors of the book, Wiebe E. Bijker and John Law (1992a), quite similar questions seem to be addressed by all the authors, who represent, in addition to (1) ANT, (2) systems theory and (3) the social constructivist approach. To these approaches I would add yet another, i.e. the (4) structuration theory (Giddens 1979, 1984) approach to technology (Orlikowski 1992, 2000), which has gained popularity in technology studies particularly since in the mid 1990s. Before going typical questions asked by these studies, I will very briefly review the three latter approaches.

Systems theory approach was developed in the history of technology by such writers as Hughes (1983). Bijker and Law (1992a) note that the systems theory approach was originally intended to describe and account for the growth of large technical systems, such as the of electrical supply networks analysed by Hughes. Further, Hughes's argument is that successful entrepreneurs were those who thought in system terms, not only about the technical nature of their innovations but also about their social, political, and economic context. He claims that entrepreneurs like Edison designed not only devices but also societies within which these devices might be successfully located.

Social constructivist approach to technology, in turn, was originally an attempt to apply some work in sociology of scientific knowledge to technologies (e.g. Pinch and Bijker 1987). What is argued is that technologies and technological practices are social constructions, susceptible to more than one interpretation and built in a process of negotiation. This process is often seen as driven by the social interests of participants, in which conflicting groups reach a specific outcome and so conclude the dispute.

Structuration theory approach to technology, then, was developed particularly by Orlikowski (1992, 2000; Orlikowski and Robey 1991; see also Barley 1986). She is informed by Giddens's structuration theory, which proposes that structure and agency be viewed, not as independent and conflicting elements, but as a mutually interacting duality. Social structure is seen as being drawn on by human agents in their actions, while the actions of humans in social contexts serve to produce and reproduce the social structure. Drawing on Giddens's theory, Orlikowski (1992) argues that social structures may come to be embedded in technological artefacts in the course of their design. Technological artefact is seen as a product of human action. At the same time, they are a medium for human action. In this respect, they restrict and enable interaction. Moreover, human action is restricted by the institutional properties of the organization: when using any technological artefact, we draw on norms, knowledge, and resources in the existing organization. But, on the other hand, human action, when using technological artefacts, influences the institutional structures of the organization either by reconstruction or changing it. So, during their use, then, these embedded structures are produced and reproduced, leading to the reification of the technology as well as helping existing and future users make sense of technology. Structure emerges as virtual, emerging from people's repeated and situated interactions with particular technologies.

Indeed, and as mentioned above, the four approaches to technology studies above seem all to address quite similar questions. Why do technologies actually take the form they do? Why do the designers think in this way rather than that? What assumptions do the engineers, or the business people, or the politicians, make about the kinds of roles that people and machines might in the new worlds they seek to build up? What constraints do they think about or run into, as they build and deploy their technologies? What are the uses to which technologies are put by their users once they are deployed, or how do they reshape their technologies? And how do the users and their technologies shape and influence future social, economic, and technical decisions? Furthermore, Bijker and Law (1992a) note that three different approaches to technology studies in their book basically share five important assumptions. As I find these

assumptions illustrative and claim that they apply also to the structuration theory approach, I will review them briefly.

First, the approaches consider technological change as contingent and avoid reductionist explanations. Particularly they avoid assuming that technological change may be explained in terms of some kind of unfolding internal logic. They avoid also other forms of reductionism: what we traditionally call "the social" or "the economic" is seen, like technology, as both heterogeneous and emergent and what we normally think of as social relations is seen as constituted and shaped also by technical and economic means. The assumption is thus that technology, the social relations, and the course of history should all be treated as messy contingencies. No grand plan to history is visioned and no economic, technical, psychological or social is seen to primarily drive change.

Second, it is assumed that technologies are born out of conflict, difference, or resistance. Technological controversies, disagreements, or difficulties are described. Different protagonists, such as entrepreneurs, business organizations, governmental agencies, customers or consumers, designers, inventors, organizational members, etc., are considered to seek to develop and maintain certain technological arrangements, and with them certain social, scientific, economic, and organizational relations, according to their interests. But actors who consider such arrangements damaging or against their interests, may put up resistance and would like to see the social relations and the technologies in which they are implicated to take some other form.

Third, it is considered that different interests around technological arrangements may or may not break out into overt conflict or disagreement. All the approaches are concerned with mapping the strategies deployed by those involved in conflict, disagreement, or resistance. These strategies are seen as empirically varied. The assumption is heterogeneous political, economic, scientific, and technical strategies are designed to stop other actors acting otherwise, going elsewhere, or successfully stabilizing their own alternative versions of technological and social arrangements.

Fourth, the approaches assume that technologies are stabilized only in case the heterogeneous relations in which they are implicated and of which they form part are themselves stabilized. If technologies become stabilized, this is because the network of relations in which they are involved and the various strategies that drive and give shape to the network reach some kind of settlement. This settlement may look like politics, bureaucracy, or something else. It may also look like exercise of power, as satisfaction of all those involved is not seen as necessary outcome of the settlement struggle.

Fifth, it is assumed that both strategies themselves and the consequences of the strategies are emergent phenomena. If two or more strategies mesh together, the final product is an emergent phenomenon: the final product cannot be reduced to strategies of either one of the protagonists. So, whatever the technology designers may wish, what actually happens depends on the strategies of a whole range of actors. Nevertheless, also the strategies are built up in a field of relations. The actors are both shaped by and help shape the context in or with which they are recursively implicated.

Drawing on Bijker and Law, the above five assumptions are thus what the approaches can be considered to have in common. However, to these five assumptions, I would add one more. Namely, all the approaches defy diffusion model of technologies and technological innovations (cf. e.g. Rogers 1986; Rice 1987). Albeit this assumption is already implicit in the five above, I want to bring it up, as it is often explicitly referred to or contrasted to in the studies taking one of the four reviewed approaches. In contrast to the diffusion model, they do not assume that technologies would remain constant as they are passed from the hands of one group to those of another, but rather undergo a metamorphosis that partly derives from the purposes of the group in question. In other words, technologies do not remain constant in the hands of others, they do not simply diffuse through social groups, organizations, or society at large.

So, when it comes to technology studies, the ANT approach has very much in common with e.g. the systems theory approach, social constructivist approach, and structuration theory approach. Although there may be slight differences in emphasis, in general, as noted by Bijker and Law (1992a), differences in technology studies taking the different approaches mostly reflect merely differences in subject matters and types of technologies. Some look like studies of bureaucratic politics, some like studies of technology transfer, and some like business histories, with a central concern, of course, with technological content. All in all, what I want to argue is that because empirical studies with the different approaches in practice resemble each other so much in their theoretical assumptions and insights and because differences mostly arise from differences in subject matters, the additional contribution that can be gained by using one of

them instead of another in management and organization studies dealing with technologies is rather minimal. This applies, then, also to using ANT conceptual vocabulary. Although this conceptual vocabulary can be considered to have yielded some significant insights in technology studies still in the 1980s and early 1990s, their use in the early 2000s, as Ylikoski (2002) notes, yields few significant insights compared to many other approaches to technology studies that emerged in the late 1980s.

3   Accounting studies

Accounting and "action at distance"

In addition to the use of ANT approach in technology-centred studies, the review of the ANT studies in management and organization studies revealed that the ANT approach has been extensively used in studies dealing with accounting and management information systems. To the extent that the studies have dealt with accounting and management information systems (MIS) as technological systems, the points I made above in relation to ANT studies centrally dealing with technologies, apply very well also to the accounting and MIS studies. Nevertheless, there can be seen further reasons for why ANT approach has gained ground in the accounting and MIS research. Before looking into these reasons, I want to point out that I take the stance of viewing accounting systems and management information systems basically as the same phenomenon, as both deal with information gathered about organization and its workings. Accordingly, and for reasons of brevity, I will later talk only about "accounting" and "accounting systems", including management information systems.

Recall that ANT authors started out in the sociology of science, particularly studying how scientific facts are constructed. Dealing with this issue, the ethnography-like study of a scientific laboratory in La Jolla, California by Latour and Woolgar (1979) can be considered an important precursor of ANT. Particularly, Latour and Woolgar saw laboratory activity and the construction of scientific facts as a system of "literary inscription". They used the notion of "inscription" in a little different sense than e.g. Latour and Akrich later in the technology studies. Latour and Woolgar borrowed this notion from Derrida (1977) to designate an operation more basic than writing (Dagognet 1973) and used it "to summarize all traces, spots, points, histograms, recorded numbers, spectra, peaks and so on" (Latour and Woolgar 1986, p. 88). Latour and Woolgar (1986) pointed out that the work of a scientific laboratory can be understood "in terms of the continual generation of a variety of documents, which are used to effect the transformation of statement types and so enhance or detract from their fact-like status" (p. 151). The processes of inscription were to them about how is it that apparatus, animals, chemicals, and activities of the scientists combine to produce written documents. They attached particular significance to the operation of the apparatus which provide some kind of written output; these "inscription devices" transform pieces of matter into written documents. More exactly, Latour and Woolgar considered an inscription device as "any item of apparatus or particular configuration of such items which can transform a material substance into a figure or diagram" (p. 51). Further, important feature of an inscription device is, according to Latour and Woolgar, that "once the end product, an inscription, is available, all intermediary steps which made its production possible are forgotten" (p. 63). This reflects the black-boxed nature of the eventual scientific fact and still recognizes that the fact is actually nothing more than a network of heterogeneous materials.

Latour developed the idea of inscription device further in his book *Science in Action* (1987), particularly when it comes to studying science and technology. But he referred also to economic information and statistical institutions as inscription devices (1987, pp. 68–69). From there, it was not long way to considering also accounting information as "facts" constructed through processes of inscription and accounting function of firms as inscription devices (see Robson 1992). Indeed, already Latour himself (1987, p. 253) referred to accountancy.

So, accounting information may be regarded as constructed representations of e.g. the activities, processes, and possessions of an organization into figures and texts, through "cascades" of ever-simplified inscriptions (see Latour 1987, 1990). Like originally in the sociology of science, where ANT authors joined those who questioned the objectivity of scientific facts, in accounting research, researchers taking the ANT approach, among the first Robson (e.g. 1991, 1992, 1994), joined those arguing that the roles of accounting numbers, or inscriptions, are often improperly understood as merely neutral knowledge or "representation".

Actually, this kind of argument was not exactly anything very novel, as already Jeremy Bentham (1748-1832), the utilitarian and father of administrative theory had made similar points.

Bentham had considered "book-keeping" – representing the multi-dimensional world of administrative events, objects and people in two-dimensional paper forms and thus making the "organization seeable" – as the first problem of administration. He had viewed that large number of people distributed over a large area can be represented in the small space of a book and inspected "at first glance" (see Miller 1987, p. 19). Indeed, "much condensed into little" had been the fulcrum of Bentham's theory of management. He had brought it into perfection in his architectural concept of the Panopticon, "the polyvalent apparatus of surveillance, the universal optical machine of human groupings" (Miller 1987, p. 3). The function of the Panopticon had been part of Benthams's economy of division: what can be divided, kept separate yet closely packed in physical space, can be more easily transferred to the smaller space of the record book. For him, Panopticon had facilitated the abbreviated representation of the physical world in classes, numbers, and names, enabled administrators to see more clearly and more quickly, and guaranteed managerial control and the efficiency of working.

In any case, informed by ANT, Robson similarly pointed out that knowledge and representation in accounting can be conceived in terms of the problematic of "action at distance", drawing on Latour (1987, pp. 219–257; 1986, 1988c), or of "long-distance control" (see Law 1986b). Accordingly, the studies of accounting with ANT approach have tended to emphasize how accounting figures enable "action at distance". Furthermore, Latour (1987) asked "how to act at a distance on unfamiliar events, places and people" and answered:

> By inventing means that (a) render them *mobile* so that they can be brought back; (b) keep them *stable* so that they can be moved back and forth without additional distortion, corruption or decay, and (c) are *combinable* so that whatever stuff they are made of, they can be cumulated, aggregated, or shuffled like a pack of cards. If those conditions are met, then a small provincial town, or an obscure laboratory, or a puny little company in a garage, that were at first as weak as any other place will become centres dominating at a distance many other places. (p. 223, emphases in the original)

Accordingly, accounting numbers can be understood as material translations of events, objects and activities – settings to be acted upon – via inscriptions, and the prominence of accounting practices to be considered connected to the qualities of inscriptions – mobility, stability and combinability – that expedite action at distance or long-distance control (Robson 1992).

Informed by ANT, Robson (1992) notes that the *mobility* of accounting reports is strongly attached to the use of "writing". Company accounts inscribe productive process, personnel, transactions, machines, buildings, cash flows, and loans – even intellectual capital (see e.g. Mouritsen, Larsen, and Bukh 2001; Mouritsen and Flagstad 2005) – dispersed spatially and temporally, giving them form by the text. A manager, employee, shareholder, financial analyst, creditor, or tax inspector can assess activities located in other time and space which he cannot otherwise see and act upon the "organization", which has been rendered visible through accounting reports.

Concerning *stability*, on the other hand, Robson (1992) points out that the capacity of accounting inscriptions to enhance mechanisms of long distance control is contingent upon their stability of form, or stability of relations between inscriptions and the context to which they refer. He notes that the power of accounting reports "rests significantly upon accountants constructing accounts in a stable form, a form that resists corruption and is recognizable to those who wish to act upon the organization" (p. 697). The numbers, texts, charts, and figures as ink on paper or as standard binary codes in computer memories are, of course, relatively stable as such, especially since we, to a great extent, follow certain rules and conventions of grammar, spelling, and calculus. But also, as Robson reminds us, there has been a notable feature in the history of accounting of increasing standardisation, normalisation, and harmonisation. For instance, profit and loss accounts and balance sheets may show some international variation in ordering, terminology, and precise rules of calculation and content, but still most financial statements in Western economies share many common features of layout and substance, and are probably recognisable to most users, contributing to the stability in the construction of accounting.

The mobility and stability of inscriptions on which accounting reports rely are important, but as Robson (1992) reminds, once in the position of securing inscriptions that are mobile and stable, the receiver may find himself or herself flooded by the inscriptions that travel from the locations he or she wishes to influence. Hence, the *combinability* of inscriptions becomes paramount. "Combinability allows an actor to accumulate inscriptions, tabulate them,

recombine them in order to establish new relationships, and calculate "norms" through which to compare the settings to be influenced in accordance with his or her specific objectives, aims or ideals" (Robson 1992, p. 697). Robson notes that it is a key advantage of accounting numbers is the combinability of numerical inscriptions. By the use of ratios, equations, and functions, such disparate concepts and entities as e.g. time, voltage, surface area, volume, or money can be combined and analysed to establish new relations. Numbers can be implicated in the creation of new categories of "object" or "entity" that arise from the mathematical transformations. Accounts that number the details of transactions, manufacturing plants, materials, debts, shares, productive equipment, labour, stock etc. are not discriminating the differences between these entities, they are asserting that they have identical qualities – usually the money value.

Thus, by creating what can be seen, bringing together and making the same, and rendering equivalent things that were previously different, accounting reports allow managers and controllers of the system to accumulate knowledge at "centres of calculation" in order to make calculation in accordance with their desires to act upon remote contexts. They are able to master the world, as the world comes to them in the form of two-dimensional, superimposable, combinable inscriptions (Latour 1995). Namely, Latour emphasized that those who sit at the end of a long network of objects that generates inscriptions which are "immutable and combinable mobiles" (Latour 1987, p. 227) and handle the eventual accounting reports have objects at their disposal at such scale that they can be dominated by sight – just as Bentham had emphasized management "at a glance".

Accounting development

Authors taking ANT approach to accounting knowledge acknowledge that in practice, action at distance becomes real, for instance, as accounting develops standards of behaviours such that "normal" practice cannot only be defined but also measured and deviations noted; as what is rendered visible, measured, and rewarded, gains legitimacy and which is not recognized by the formal system is often neither rewarded nor legitimate; and as resource allocation, such as budgeting, is mostly based on accounting information (see e.g. Bloomfield, Coombs, Cooper, and Rea 1992; Ezzamel 1994). Nevertheless, although they hence consider that knowledge and representation in accounting can be conceived in terms of the problematic of "action at distance", they do not view the exercise of such control as unproblematic. The use of accounting inscriptions as a medium of control is by no means considered to guarantee that the controller can predict the outcomes of the process with certainty (Robson 1992, p. 702; Lowe 2001b). Actually, in attending to the "process through which particular accounting statements, calculations and techniques are subject to a translation into wider social, economic and political discourse not normally associated with the apparently neutral, technical discourse and practice of accounting" (Robson 1991, p. 566), most empirical studies to accounting with an ANT approach do not analyse so much e.g. the mobility, stability, or combinability of (existing) accounting inscriptions and how they enable action at distance as a synchronic snapshot. Rather they analyse how new accounting practices are developed and introduced and how accounting change coevolves with organizational change through translation, often not without controversies.

Indeed, the notion of inscription is used in studies of accounting with ANT approach usually in a sense that resembles more its use by Latour and Akrich in study of technologies (see above), rather than in a sense of representations that transform organizational processes and properties to textual form or financial figures. Namely, like designers of technology, developers of accounting can be seen to define actors with e.g. specific interests, tastes, competences, motives, aspirations, and political prejudices, and assume that morality, technology, science and economy will evolve in particular ways. Thus, large part of their work can be understood as that of "inscribing" their vision of (or prediction about) the world in the "knowledge" content of the accounting figures, i.e. to what kind accounting information is to be gathered about events, activities, and objects and how. This is reflected by McNamara, Baxter, and Chua (2004) who note that studies with an ANT approach to accounting privilege the production and management of accounting "knowledges", focusing on the networks and allies informing and challenging the constitution of accounting numbers, and tell about the formation and re-formation of particular accounting knowledge objects, connecting the interests of particular human and non-human objects to these processes.

Robson (1991) was one of the early authors to view accounting change as a process of translation. Informed by ANT, or sociology of translation, he joined other accounting

researchers who had already earlier studied the relationship between accounting practices to the social context. According to Robson, these researchers had been interested in, for instance, the legitimating and rationalizing roles of accounting, the ability of accounting to create its own myths and contribute to the construction and maintenance of organizational order, accounting as organizational learning rather than purely as a conventional, or technical, problem-solving procedure, and conditions under which accounting assumed its varying roles. Robson himself, in turn, set out to study accounting and social change, and the interrelationship between the two, drawing particularly on Burchell, Clubb, and Hopwood (1985). Informed by ANT authors, Robson (1991) attempted to further develop the mode of analysis outlined by Burchell et al., when it comes to how connections between accounting and its context can be analysed historically. Basically, using the notion developed by Callon and Latour, he suggested that the relationship between accounting and its social context can be understood as process of translation, "through which often pre-existing accounting techniques, and their associated roles, are articulated discursively, in ways that construct individuals' and groups' "interest" in those techniques, and may subsequently provide motives for producing changes in accounting" (p. 550).

Also Bloomfield, Coombs, Cooper, and Rea (1992) took an ANT approach to accounting. Drawing on earlier non-ANT accounting research, they noted that accounting systems construct and render visible significant aspects of organizational reality enabling new or more penetrating forms of organizational practices. Accounting develops standards of behaviours such that "normal" practice cannot only be defined but also measured and deviations noted. Basically, what is rendered visible, measured, and rewarded, gains legitimacy and which is not recognized by the formal system is often neither rewarded nor legitimate. However, Bloomfield et al. (1992) also noted that putting accounting practices into place is not simply a matter of designing systems that have the support of managers. Instead, there is a dialectical process whereby organizational structures are modified and transformed in the process of design, implementation, and use of the practices. Human action, contingency forces and power relations are both product and produced by accounting. Thus, a central theme of Bloomfield et al.'s paper (1992) was how an accounting system, viewed as a "social technology" aimed primarily at changing or reinforcing particular forms of social organization, is produced and changed. This is where they invoked ANT concepts and vocabularies: to examine how accounting and budgeting are is defined, talked about, modified, redefined, developed, and implemented in an specific organizational context.

A third early work taking an ANT approach to accounting was that of Chua (1995). He noted that critical accounting research had long embraced the notion that "accounting is a constitutive social construction that emerges from and becomes entangled in complex structures, localized politics, multiple discourses and unintended happenings" (p. 114) and that there had been attempts to highlight the rhetorical dimensions of accounting and to focus on the exercise of governmentality by numbers. But Chua also noted that there had been relatively few detailed "micro" ethnographies of the making up of accounting numbers in organizational settings. Thus, he set out to follow preparers of accounting researchers in action (see Latour 1987) and study the tactics, tools and tribulations of account-fabrication, as well as accounting's persuasive power, informed by ANT.

In practice, the work of Robson (1991), Bloomfield et al. (1992) and Chua (1995), as well as the accounting studies of many others with ANT approach following them, take advantage of the very same ANT concepts and vocabularies which I presented above in relation to technology studies. They are typically "micro" ethnographies of development and introduction of new accounting practices and very much resemble the studies with ANT approach concentrating on the development and introduction of new technologies. Also the accounting studies mostly take viewpoint of managers, developers of accounting as their initial starting point, and analyse, for instance, how they try to "problematize" interests, identities, and roles of organizational actors, according to their own interests. They analyse how they "interest" others with "devices of intéressement" to "enrol" them into a desired "actor-network", through "moments of translation", in aiming to change or reinforce particular forms of social organization and organizational practices, using the accounting systems as "intermediaries" and "inscribing" the defined interests into them. Moreover, they pay attention, for instance, to "negotiations" that take place concerning the identities and roles of the various actors, the "mobilization" of different "allies" and whether "alignment" of interests among actors in the network is achieved, so that particular social relations and organizational practices get stabilized.

Using these vocabularies in the accounting studies can be considered to have provided some insight to the (traditional) subject of accounting-fabrication development, particularly in the early 1990s. But there is an analogy with the ANT approach to technology, which can be understood as having enabled only one way to describe and explain the coevolution of what is usually distinguished as a sociotechnical context and sociotechnical content, or the social shaping of technology, technology shaping social relations, and sociotechnical stabilization. Analogously, as implied already in the very early accounting studies with ANT approach, this approach to accounting, as adopted by accounting researchers, can be understood as only one way to describe and explain the coevolution of accounting information gathering practices and organizational forms, or the social shaping of what information is gathered and how, what information is gathered and how shaping social relations, and stabilization of accounting practices and accompanying organizational forms and social relations.

So, actually, I want to make a similar overall argument with respect to accounting studies as I did with respect to technology studies. I want argue that the use of the vocabulary originally developed with the ANT pencil in technology studies and subsequently adopted in accounting studies in the early 1990s can be considered to have yielded some significant insights at the time, but, by the early 2000s further insights are less significant. Although in accounting research there are not so clearly distinct theoretical traditions to which to contrast ANT like in technology studies, actually the whole aim of e.g. management accounting research can be seen as closely tied to studying the reciprocal relationship between the social and the technical, or as Lowe (2001a) notes, the social affects of technical accounting systems. So, in practice, very similar studies concerning the reciprocal relationship between what is traditionally conceived as accounting practice and the social context have been increasingly done both using and not using ANT concepts and vocabularies since the late 1980s.

4 Beyond technology and accounting ANT studies?

Due to the background of early ANT authors in the sociology of scientific knowledge and technology and their early studies centrally involving (scientific) knowledge and technologies, it is generally easy to understand why ANT approach has been mainly used in technology and accounting studies. However, this is not totally unproblematic. A problem emerges from the question of the degree to which a given study with ANT approach, even if in principle very committed to ANT ontology and way of studying things, yields contribution to understanding certain phenomenon, relative to other social science "theories". This is, of course, a problem in all research, no matter what approach the researcher adopts. However, with ANT, which after all claims certain radicality, the problem becomes, in a way, highlighted: an ANT study should first and foremost be able to offer new kinds of theoretical insights to phenomena. As Calas and Smircich (1999, pp. 663–664) note about the potential of ANT:

> ANT… provides a very good way of telling stories about "what happens out there" that defamiliarizes what we may otherwise take for granted…
> If nothing else, ANT, with its focus on irreductionism and relationality, rather than facts and essences, may become a very useful exercise to counter conventional "theoretical tales" in organization studies.

If, then, an ANT study cannot, for instance, truly defamiliarize what is taken for granted or counter conventional theoretical tales, or "displace more conventional organizational thinking" (Calas and Smircich 1999, p. 664), the reason for and benefit from using ANT in it can be considered questionable. I already pointed at this issue above when arguing that in the early 2000s, using ANT approach in neither technology nor accounting studies can be considered to (any more) yield much significant insight to development, introduction, or use of technological artefacts or accounting practices. And apparently, the same issue was implied by the guest editors to the special issue of the information systems journal I quoted in the Introduction: they noted that it seems that ANT has been used as a way to perform "stakeholder analysis". Also Ylikoski (2000) pays attention to the issue, particularly in relation to technology studies and, actually, in relation to Latour himself and his study (1996) of the development of a new city transport system Aramis in Paris, as a technology study written in 1990s:

> I think that the study tells us nothing new or different, for instance, about the nature of engineering work or the building and maintaining of technological systems, relative to other technology research

> that emerged in the late 1980s… The content of the study can be [well] expressed without ANT concepts, even in a clearer way.

I do not at all want to claim that it would be impossible to make contributions in technology and accounting studies with an ANT approach. By providing local and contingent descriptions of development, introduction, and use of new kinds of technologies and accounting practices contributions are possible, indeed. But it seems that at least the reviewed ANT studies cannot provide any seminal theoretical insights to the phenomena, relative to studies adopting other approaches. The problem perhaps boils down to that researchers possible find it tempting and simple to "apply" ANT or its concepts to phenomena where it has already been "applied" earlier.

Indeed, perhaps ANT is not always very useful in studying things that a great number of people study with ANT approach, as well as some other approaches. It seems that then the risk that distinction can be made only in terms of different vocabulary is at highest and potential for contribution is at lowest. Not inconsistent with this, the original ANT authors seem to consider that using ANT approach is first and foremost useful in studying *new* kinds of topics and phenomena. According to Law (1999b), ANT is about sensitivity to certain aspects of the world which otherwise easily remain unaccounted for in the study of social processes. These kinds of aspects are e.g. the role of materiality in interdependent and interactive relations and how asymmetries and symmetries are produced. Latour, in turn, notes (2004):

> They [other social theories] are good at saying positive things about what the social world is made of. In most cases that's fine; the ingredients are known; their numbers should be kept small. But that doesn't work when things are changing fast, and, I would add, not, for instance, in organization studies, or information studies, or marketing, or science and technology studies, where boundaries are so terribly fuzzy. New topics, that's when you need ANT for…

In this light, it may be promising that ANT is becoming more widely used in fields of management and organization studies, also with respect to new topics beyond phenomena that centrally involve technological artefacts and/or accounting practices and systems. There has been a rising interest in using ANT in studying many other kinds of phenomena particularly in the very recent years, in the early 2000s. This shows in the summary of the bibliography presented in Appendix B, where articles other than those centrally involving technological artefacts or accounting practices and systems are highlighted with white background colour. The appendix shows also the phenomena or concepts in focus in these studies.

Appendix B
ANT in management and organization studies (Table)

Authors and year	AT	Publication outlet	Subject area (Harzing)	Subject area	F	Phenomenon or concept	Empirical study	T:U	T:D	A/M:U	A/M:D
Bloomfield, Coombs, Cooper, and Rea 1992	J	*Accounting, Management & Information Technologies*		accounting	1	interaction between organizational development and information systems design, responsibility accounting	construction of resource management initiative systems at hospitals		x		x
Knights, Murray, and Willmott 1993	J	*Journal of Management Studies*	Gen & Strat	general, strategy, organization, HRM, IR	1	interorganizational networking, knowledge work	knowledge workers establishing and developing interorganizational electronic trading network		x		
Ezzamel 1994	J	*Organization Studies*	OB/OS, HRM, IR	general, strategy, organization, HRM, IR	1	development of accounting systems and org. change, change resistance, dynamics of power/knowledge relations	change attempt seeking to supplant an incremental budget by a comprehensive budget at a UK university		x		x
Bloomfield and Vurdubakis 1994	J	*Information Technology and People*		MIS, knowledge management	1	boundary between the technical and the social in the development of IT systems	development of resource management information system		x		x
Lea, O'Shea, and Fung 1995	J	*Organization Science*	OB/OS, HRM, IR	general, strategy, organization, HRM, IR	1	networked organization, co-construction of new organizational form and communications system	simultaneous development and implementation of electronic communications system		x		
Bloomfield and Danieli 1995	J	*Journal of Management Studies*	Gen & Strat	general, strategy, organization, HRM, IR	1	importance of IT, management consultancy, relationship between social/political and technical problems	construction of problems by management consultants; development of resource management information system		x		x
Bloomfield 1995	J	*Organization*	OB/OS, HRM, IR	general, strategy, organization, HRM, IR	1	relationship between technology and organization; power, domination, technology	development of management information systems within acute-sector hospitals		x		x
Chua 1995	J	*Accounting, Organizations and Society*	F&A	accounting	1	accounting as social construction, interrelations between knowledge, interests, and power	development of cost accounting system at a hospital		x		x
Kavanagh and Araujo 1995	J	*Accounting, Management & Information Technologies*		accounting	1	construct of time, social construction of time	replacement of a process control system in a pharmaceutical plant				
Brigham and Corbett 1997	J	*New Technology, Work and Employment*	OB/OS, HRM, IR	general, strategy, organization, HRM, IR	1	role of communication technologies in shaping social reality in an organizational setting	effects of electronic mail in a large business organization	x			
Hansen and Mouritsen 1999	J	*Organization*	OB/OS, HRM, IR	general, strategy, organization, HRM, IR	1	ability of accounting to organize	accounting report periodically changing organizational practices in a high-tech firm			x	
Lehoux, Sicotte, and Denis 1999	J	*Evaluation and Program Planning*	PSM	public sector management	1	social shaping of technological projects, evaluation of technology	design and implementation of a computerized medical record at four Canadian hospitals		x		x
Füssel and Georg 2000	J	*International Studies of Management and Organization*	OB/OS, HRM, IR	general, strategy, organization, HRM, IR	1	institutionalization of ideas to a single organization, greening, environmental management, sensemaking	introduction of green accounting in a public hospital in Denmark		x		x
Catasús 2000	J	*International Studies of Management and Organization*	OB/OS, HRM, IR	general, strategy, organization, HRM, IR	1	diffusion of ideas, environmental issues	arguments forming relationship between the environment and the organization				
Suchman 2000	J	*Organization*	OB/OS, HRM, IR	general, strategy, organization, HRM, IR	1	organizational knowing and acting, sociotechnical engineering	production of an environmental impact statement as object of the work engineers engaged in designing a bridge				
Hanseth and Braa 2001	J	*Computer Supported Cooperative Work*		MIS, knowledge management	1	development and implementation of a corporate standard IT infrastructure	definition and implementation of a corporate IT infrastructure standard		x		
Holmström and Stalder 2001	J	*Information and Organization*	F&A	accounting	1	dynamics of socio-technical systems, diffusion of technologies, technology drift	introduction of the Swedish cashcard (a re-loadable, stand-alone electronic purse)		x		
Mouritsen, Larsen, and Bukh 2001	J	*Accounting, Organizations and Society*	F&A	accounting	1	intellectual capital, organizational knowledge, non-financial reporting	17 Danish firms attempting to construct intellectual capital statements over a period of 3 years				x
Lowe 2001c	J	*Journal of Organizational Change Management*	Gen & Strat	general, strategy, organization, HRM, IR	1	construction of accounting and organizational change	implementation of casemix systems and medical coding at a large new Zealand hospital		x		x
Harrisson, Laplanteand St-Cyr 2001	J	*Human Relations*	OB/OS, HRM, IR	general, strategy, organization, HRM, IR	1	-transformation of work organization and work relations, organizational innovations, managerial control, resistance	introduction of TQM programmes in two metallurgical industry firms				

Authors and year	AT	Publication outlet	Subject area (Harzing)	Subject area	F	Phenomenon or concept	Empirical study	T:U	T:D	A/M:U	A/M:D
Harrison and Laberge 2002	J	*Journal of Management Studies*	Gen & Strat	general, strategy, organization, HRM, IR	1	sociotechnical innovation, technology shaping social relations	introduction of information technology and changing of teamwork practices		x		
McGrath 2002	J	*European Journal of Information Systems*	MIS, KM	MIS, knowledge management	1	information technology and organizational change, development and implementation of computer system	implementation of a new computer system at a city ambulance service after failure of previous system		x		
Stalder 2002	J	*The Information Society*	MIS, KM	MIS, knowledge management	1	technology drift, stabilization of social and technical relationships in development of technological artefact	development and introduction of electronic cash by banks in Canada and later in global market		x		
Olla, Atkinson, and Gandceha 2003	J	*Journal of Computer Information Systems*		MIS, knowledge management	1	information systems development (wireless applications)	failure of a systems development methodology and implementation of a ne methodology		x		
Scott and Wagner 2003	J	*Information and Organization*	F&A	accounting	1	relationship between technological design and organizational work life, project time	development of enterprise resource planning (ERP) system		x		x
Dent 2003	J	*Organization*	OB/OS, HRM, IR	general, strategy, organization, HRM, IR	1	professionalism-managerialism relations, responsibilisation	configuration of professional-management relations in a hospital under threat of closure, rationalization of med. work				
Levin and Knustad 2003	J	*Systems Practice and Action Research*		general, strategy, organization, HRM, IR	1	networked economy, business networks, learning networks	development and operation of a leadership educational program in the northwestern part of Norway, nordwest forum				
Mähring, Holmström, Keil, and Montealegre 2004	J	*Information Technology & People*		MIS, knowledge management	1	Information technology project escalation	failed development project of computerized baggage handling system of an airport		x		
Faraj, Kwon, and Watts 2004	J	*Information Technology & People*		MIS, knowledge management	1	dynamic and social view of technological evolution/development	industry-wide development/evolution of a web browser		x		
McNamara, Baxter, and Chua 2004	J	*Management Accounting Research*	F&A	accounting	1	constructions of organizational knowledge and its management, interactions between knowledge networks	knowledge management activities of a company			x	
Allen 2004	J	*Information Technology & People*		MIS, knowledge management	1	sociotechnical change and development	successful IT product development (pda devices) by two small companies		x		
Gendron and Barrett 2004	J	*Contemporary Accounting Research*	F&A	accounting	1	development of new markets for professional expertise of accountants, management advisory services	development of a new market for accountant's expertise by means of seal of assurance placeable on a website				
Zackariasson and Wilson 2004	J	*Industrial Marketing Management*	Marketing	marketing	1	effect of IT on (capital goods after sales) service organization, internetworking, flexible distribution channels	changes occurring in a firm's after-sales service practices in terms of internetworking		x		
Bruni 2005	J	*Organization*	OB/OS, HRM, IR	general, strategy, organization, HRM, IR	1	everyday organizational practices	use of electronic patient record in a hospital department	x			
Nahuis 2005	J	*Technology in Society*		general, strategy, organization, HRM, IR	1	democracy and innovation, politics	Introducing self-service on the Amsterdam trams		x		
Linderoth and Pellegrino 2005	J	*International Journal of Project Management*	OR, MS, POM	project management	1	process of IT-dependent change projects, social construction of technology	development and implementation of of telemedicine at nine health centers; development and implementation of intranet		x		
Robson 1992	J	*Accounting, Organizations and Society*	F&A	accounting	2	operation and status of those numerate knowledges and techniques that comprise accounting				x	
Parkin 1996	J	*International Journal of Project Management*	OR, MS, POM	project management	2	relationship between decision making and organizational process, project managers					
Munro 1999	J	*Organization*	OB/OS, HRM, IR	general, strategy, organization, HRM, IR	2	exercise of discretion, membership					
Hull 1999	J	*Organization*	OB/OS, HRM, IR	general, strategy, organization, HRM, IR	2	organizational knowledge, organizational conduct					

Authors and year	AT	Publication outlet	Subject area (Harzing)	Subject area	F	Phenomenon or concept	Empirical study	T:U	T:D	A/M:U	A/M:D
Bloomfield and Vurdubakis 1999	J	*Organization*	OB/OS, HRM, IR	general, strategy, organization, HRM, IR	2	organization and disorganization as mutually constitutive and interdependent, boundary construction, membership work					
Spira 1999	J	*Journal of Management and Governance*		general, strategy, organization, HRM, IR	2	effectiveness of audit committees, ceremonies, rituals, isomorphism					
Gherardi and Nicolini 2000	J	*Organization*	OB/OS, HRM, IR	general, strategy, organization, HRM, IR	2	circulation of organizational (safety-related) knowledge					
Law 2000	J	*Organization*	OB/OS, HRM, IR	general, strategy, organization, HRM, IR	2	organizational knowing					
Fox 2000	J	*Journal of Management Studies*	Gen & Strat	general, strategy, organization, HRM, IR	2	organizational learning, situated learning, communities of practice					
Lowe 2001a	J	*Management Accounting Research*	F&A	accounting	2	construction of accounting					x
Blackburn 2002	J	*International Journal of Project Management*	OR, MS, POM	project management	2	project management, work of project managers					
Newton 2002	J	*Academy of Management Review*	Gen & Strat	general, strategy, organization, HRM, IR	2	organizational greening, societal greening					
Akrich, Callon, and Latour 2002a	J	*International Journal of Innovation Management*	Innovation	innovation	2	successful innovations, diffusion of innovations					
Akrich, Callon, and Latour 2002b	J	*International Journal of Innovation Management*	Innovation	innovation	2	successful innovations, diffusion of innovations					
Sidle and Warzynski 2003	J	*Journal of Education for Business*		general, strategy, organization, HRM, IR	2	leadership, leadership development, social networks, social capital					
Munir and Jones 2004	J	*Organization Studies*	OB/OS, HRM, IR	general, strategy, organization, HRM, IR	2	social dynamics of technology evolution and dominance			x		
Kaghan and Bowker 2001	J	*Journal of Eng. Technol. Management*	Innovation	innovation	4	interdependence of the social and technical systems of organizations, scientific and managerial cultures		x			
Lowe 2001b	J	*Accounting, Auditing & Accountability Journal*	F&A	accounting	5	accounting research					
Mutch 2002	J	*Organization*	OB/OS, HRM, IR	general, strategy, organization, HRM, IR	5	miten IS tutkimusta pitäisi muuttaa					
Greener 2002	J	*Journal of Management History*		general, strategy, organization, HRM, IR	5	technological innovation, implementation of information systems, path dependency, lock in					
Doolin and Lowe 2002	J	*Journal of Information Technology*	MIS, KM	MIS, knowledge management	5	critical information systems research					
Vidgen and McMaster 1996	E	*Information Technology and Changes in Organizational Work*		MIS, knowledge management	1	impact of information technology on organizational work	implementation of an innovative car park system which is both an information system and access control system		x		
Silva and Backhouse 1997	E	*Information Systems and Qualitative Research*		MIS, knowledge management	1	institutionalisation of information systems, political dimensions of information systems, power	development, introduction and collapse of London ambulance service		x		
Mouritsen and Flagstad 2005	E	*Actor-Network Theory and Organizing*		general, strategy, organization, HRM, IR	1	development and introduction of accounting practice	development of new intellectual capital accounting				x

Authors and year	AT	Publication outlet	Subject area (Harzing)	Subject area	F	Phenomenon or concept	Empirical study	T:U	T:D	A/M:U	A/M:D
Holmström and Robey 2005	E	Actor-Network Theory and Organizing		general, strategy, organization, HRM, IR	1	development and introduction of information/accounting system and accompanying organizational change	development of new financial accounting system in a municipal organization		x		x
Vickers and Fox 2005	E	Actor-Network Theory and Organizing		general, strategy, organization, HRM, IR	1	organizational change, micropolitics of managerial work	post-acquisition rationalization of production				
Middleton and Brown 2005	E	Actor-Network Theory and Organizing		general, strategy, organization, HRM, IR	1	teamwork practice	teamwork practice in a neonatal intensive care unit				
Lindahl 2005	E	Actor-Network Theory and Organizing		general, strategy, organization, HRM, IR	1	project management	turnkey installation of Diesel power plant				
Cooper 1992	E	Rethinking Organization		general, strategy, organization, HRM, IR	2	organizations as organizers of information, bounded rationality, transaction costs, representation					
Monteiro and Hanseth 1996	E	Information Technology and Changes in Organizational Work		MIS, knowledge management	2	interplay between IT and organizational transformations, IT enabling/constraining, IT infrastructures and standards				x	
Boland and Schultze 1996	E	Information Technology and Changes in Organizational Work		MIS, knowledge management	2	accounting technology as rhetoric of how new worlds and logics of work created, activity based costing					x
Legge 2002	E	Critical Consulting: New Perspectives on the …		general, strategy, organization, HRM, IR	2	selling of knowledge, rhetorics of knowledge intensive firms					
Tryggestad 2005	E	Actor-Network Theory and Organizing		general, strategy, organization, HRM, IR	2	strategy, technology strategy				x	
Feldman and Pentland 2005	E	Actor-Network Theory and Organizing		general, strategy, organization, HRM, IR	2	organizational routines					
Hernes 2005	E	Actor-Network Theory and Organizing		general, strategy, organization, HRM, IR	2	organizational decision making processes					
Helgesson and Kjellberg 2005	E	Actor-Network Theory and Organizing		general, strategy, organization, HRM, IR	3	associations between central and peripheral elements, programs vs anti-programs dichotomy					
Gherardi and Nicolini 2005	E	Actor-Network Theory and Organizing		general, strategy, organization, HRM, IR	3	entrepreneurial and ecological accounting alternatives					
Hägglund 2005	E	Actor-Network Theory and Organizing		general, strategy, organization, HRM, IR	4	impact of macro-actors on organizational actors					

Appendix C
Interview Details (Table)

Interviewee's current position	Current position at [company]	Interviewee's name	Interview venue	Interview date	Repres. of manage-ment?	Otherwise close to manage-ment?	Other repres.	Interviewee type	Interviewee's special area, if executive or manager	Worked for corporations	Interview length (min)
President & CEO	M-Real	Anttila, Hannu	Espoo	8.11.2005	Yes			executive	line, finance	M-Real, Metsä-Serla, Enso, Metsä-Botnia	71
President, Wood Products	UPM-Kymmene	Finne, Harald	Helsinki	16.5.2005	Yes			executive	line, HRM	UPM-Kymmene, Wisapak, Kymmene, Schauman	60
Deputy CEO (retired)	UPM-Kymmene	Granholm, Martin	Helsinki	23.3.2005	Yes			executive	line	UPM-Kymmene, Kymmene, Schauman	65
Executive VP, Corporate Communications	UPM-Kymmene	Harrela, Pirkko	Helsinki	24.3.2005	Yes			executive	communications	UPM-Kymmene, Finnpap	85
Executive VP, Human Resources & Communications	M-Real	Himma, Ari	Espoo (by telephone from Helsinki)	20.4.2005	Yes			executive	HRM	M-Real	23
Senior Executive Vice President & Deputy CEO	M-Real	Metsävirta, Aarre	Espoo	8.8.2005	Yes			executive	line, environment	M-Real, Metsä-Serla, Enso, Veitsiluoto, Repola/UPM	61
Partner	Primaca Partners	Mynttinen, Veli-Matti	Helsinki	19.10.2005	Yes		bank	executive	line, finance, marketing	M-Real, Metsä-Serla, OKO, Rauma-Repola	93
President, Magazine Papers	UPM-Kymmene	Ovaska, Jyrki	Helsinki	1.2.2005	Yes			executive	line, strategy	UPM-Kymmene, UPM	60
President	Finnish Forest Industries Federation	Poranen, Timo	Helsinki	11.5.2005	Yes			executive	line	Metsäliitto, Metsä-Serla, Metsä-Botnia	41
President (retired), Stora Enso Fine Paper	Stora Enso	Taukojärvi, Jouko	Helsinki	30.9.2005	Yes			executive	line, finance	Stora Enso, Enso	120
Executive VP, Corporate Communications	Stora Enso	Vainio, Kari 1	Helsinki	22.3.2005	Yes			executive	communications	Stora Enso, Enso	57
Executive VP, Corporate Communications	Stora Enso	Vainio, Kari 2	Helsinki (by telephone from Helsinki)	11.5.2005	Yes			executive	communications	Stora Enso, Enso	14
Chairman of the Board	UPM-Kymmene	Vainio, Vesa	Helsinki	22.9.2005	Yes		bank	executive/ Director	line	UPM-Kymmene, Nordea, Merita Bank, SYP, Kymmene, Kymi	110
Senior VP, Graphic Papers	Stora Enso	Ansaharju, Aulis	Helsinki	22.4.2005	Yes			manager	line, HRM	Stora Enso, Enso	54
VP, Corporate Communications	M-Real	Antikainen, Jyrki	Espoo	24.1.2005	Yes			manager	communications	M-Real	75
Brand Director, Corporate Communications	Stora Enso	Haapsaari, Mari	Helsinki	20.4.2005	Yes			manager	marketing, communications	Stora Enso, Enso	75
VP, Marketing Communications, Office Papers, Stora Enso Fine Paper	Stora Enso	Haglund, Ylva	Nymölla (by telephone from Helsinki)	25.10.2005	Yes			manager	marketing, sales	Stora Enso, Stora	44
VP, Marketing Communications, Publishing	M-Real	Halonen, Marjo	Espoo	9.3.2005	Yes			manager	marketing, sales	M-Real, Metsä-Serla, Finnpap	80
Consultant	MH Consulting	Harsu, Maija	Helsinki	13.10.2005	Yes			manager	investor relations	Stora Enso, Enso	70
Managing Director	NorService	Hennig, Herbert	Dörpen	7.11.2005	Yes			manager	marketing, sales	UPM-Kymmene, Kymmene	70
VP, Marketing & Sales, Publication Paper	Stora Enso	Hirsch, Kerstin	Düsseldorf (by telephone from Helsinki)	26.10.2005	Yes			manager	marketing, sales	Stora Enso, Stora	56
Director, Marketing and Brand Development	UPM-Kymmene	Järventie-Thesleff, Rita	Helsinki	29.12.2004	Yes			manager	marketing	UPM-Kymmene, Repola/UPM, Rauma-Repola	107
VP, Carton Board Sales	M-Real	Karell, Peter	Frankfurt (by telephone from Helsinki)	23.2.2005	Yes			manager	sales, marketing	M-Real, Metsä-Serla, Finnboard	34

Interviewee's current position	Current position at [company]	Interviewee's name	Interview venue	Interview date	Repres. of manage-ment?	Otherwise close to manage-ment?	Other repres.	Interviewee type	Interviewee's special area, if executive or manager	Worked for corporations	Interview length (min)
VP, Marketing Services, Consumer Boards, Stora Enso Packaging Boards	Stora Enso	Karhu, Ulla	Imatra (by telephone from Helsinki)	9.11.2005	Yes			manager	marketing	Stora Enso, Enso	55
Corporate Futurist (retired)	M-Real	Kettunen, Jyrki	Helsinki	10.3.2005	Yes			manager	strategy	M-Real, Metsä-Serla	80
VP, Corporate Communications and Public Affairs	Metsäliitto	Kivelä, Pekka 1	Espoo	3.3.2005	Yes			manager	communications	Metsäliitto, Metsä-Serla	55
VP, Corporate Communications and Public Affairs	Metsäliitto	Kivelä, Pekka 2	Espoo (by telephone from Helsinki)	27.4.2005	Yes			manager	communications	Metsäliitto, Metsä-Serla, Serlachius, Metsä-Botnia	29
Human Resources Manager, Kirkniemi mill	M-Real	Lehtinen, Olli	Virkkala (by telephone from Helsinki)	25.4.2005	Yes			manager	HRM	M-Real, Metsä-Serla, UPM-Kymmene, Repola/UPM, Enso/Tervakoski	25
Consultant	Housecom	Neuvonen, Minna 2	Helsinki (by telephone from Helsinki)	22.4.2005	Yes			manager	marketing	Metsä-Serla	35
VP, Marketing Communications, Graphic Papers, Stora Enso Fine Paper	Stora Enso	Olsson, Pelle	Nymölla (by telephone from Helsinki)	21.10.2005	Yes		merchant	manager	marketing, sales	Stora Enso, Stora	39
VP, Investor Relations and Financial Communications	Stora Enso	Paajanen-Sainio, Ulla	Helsinki	30.9.2005	Yes			manager	investor relations	Stora Enso	55
Managing director	Papyrus	Paananen, Esko	Vantaa	1.11.2005	Yes		merchant	manager	marketing, sales	Papyrus, Stora Enso, Enso, Veitsiluoto, Amerpap, UPM	64
VP, Issues Management	UPM-Kymmene	Piironen, Aili	Helsinki	17.1.2005	Yes			manager	marketing, communications	UPM-Kymmene, Kymmene	80
Senior Advisor	Merasco	Rehn, Elina	Helsinki	23.8.2005	Yes			manager	marketing, sales	M-Real, Metsä-Serla, Kyrö, Nokia	95
Brand Manager	M-Real	Rysä, Piia	Espoo	21.1.2005	Yes			manager	marketing	M-Real, Metsä-Serla	90
Regional Managing Director, Americas	M-Real USA	Sahlstedt, Jorma	Norwalk (by telephone from Helsinki)	10.3.2005	Yes			manager	marketing, sales	M-Real, Metsä-Serla, Finnboard	65
VP, Corporate Branding	Fortum	Serlachius, Susanna	Espoo	25.1.2005	Yes			manager	marketing, communications	M-Real, Metsä-Serla, Finnpap	51
VP, Marketing Communication & Branding	Wärtsilä	Simelius, Mikael	Helsinki	12.4.2005	Yes			manager	marketing, sales	Stora Enso, Enso	48
VP, Publishing	Stora Enso	Starck, Eeva	Helsinki	14.10.2005	Yes			manager	communications	Stora Enso, Enso, Finnpap	65
VP (retired), Brand Communications	M-Real	Toiviainen, Jaakko	Helsinki	26.1.2005	Yes			manager	marketing	M-Real, Metsä-Serla	138
VP (retired), Human Resources Management, Finland	UPM-Kymmene	Tunturi, Markku	Helsinki (by telephone from Helsinki)	27.4.2005	Yes			manager	HRM	UPM-Kymmene, UPM	23
VP, Marketing Communications, Commercial Printing	M-Real	Tuomarila, Mikko	Amsterdam (by telephone from Helsinki)	18.3.2005	Yes			manager	marketing, sales	M-Real, Metsä-Serla	46
Senior Partner	Enholm & Co	Enholm, Thomas	Helsinki	14.2.2005		Yes		consultant		UPM-Kymmene	58
Account Director/Creative Director	Valve	Hein, Inka/ Koskela, Jari	Helsinki	7.2.2005		Yes		consultant		UPM-Kymmene	53
Chairman and CEO	Jaakko Pöyry Consulting	Häggblom, Rainer	Vantaa	1.3.2005		Yes		consultant			45
Managing Director	Focus Business Communications	Lahtinen, Timo	Helsinki	11.1.2005		Yes		consultant		M-Real	90

Interviewee's current position	Current position at [company]	Interviewee's name	Interview venue	Interview date	Repres. of manage-ment?	Otherwise close to manage-ment?	Other repres.	Interviewee type	Interviewee's special area, if executive or manager	Worked for corporations	Interview length (min)
Consultant	Housecom	Neuvonen, Minna 1	Helsinki	1.3.2005		Yes		consultant		UPM-Kymmene	106
Partner	Quadric	Ronan, Mark	Copenhagen (by telephone from Helsinki)	10.1.2005		Yes		consultant		UPM-Kymmene	60
Managing Partner	Kunde & Co	Stoschek, Karel	Helsinki	20.1.2005		Yes		consultant		UPM-Kymmene	75
Managing Driector	Creator-Grey	Wahlberg, Harri	Helsinki	8.3.2005		Yes		consultant		UPM-Kymmene	62
Portfolio Manager, Finnish Equities	Nordea Investment Management Finland	Elovainio, Ollipekka	Helsinki	31.1.2005		Yes		investment analyst			65
Equity Researcher	Alfred Berg Finland	Frejborg, Carl-Henrik	Helsinki	25.2.2005		Yes		investment analyst			51
Senior Analyst	E. Öhman J:or Fondkommission	Jaakkola, Timo	Helsinki	22.2.2005		Yes		investment analyst			44
Senior Analyst	Opstock	Parkkinen, Henri	Helsinki	9.3.2005		Yes		investment analyst			35
Forest Industry Analyst	Evli	Siitonen, Silja	Helsinki	16.2.2005		Yes		investment analyst			51
Professor	Helsinki School of Economics	Laurila, Juha	Helsinki	1.3.2005		Yes		researcher			48
Professor	Helsinki School of Economics	Lilja, Kari	Helsinki	17.2.2005		Yes		researcher			53
Senior Researcher	Arcada	Rosenbröijer, Carl-Johan	Helsinki	24.2.2005		Yes		researcher			54
Production Manager	Yhtyneet Kuvalehdet	Haapakangas, Jaakko	Helsinki	4.2.2005			customer	customer			95
VP, Business Development	Hansaprint	Ketonen, Heikki	Helsinki	8.3.2005			customer	customer			49
Purchasing Director	SanomaWSOY	Puotila, Erik	Helsinki	8.2.2005			customer	customer			60
Graphic Designer, AD	PixelPress	Arar, Wasel	Helsinki	26.1.2005				consultant			69
Director, Business Development	Consumer Compass	Jurvanen, Topi	Helsinki	3.2.2005				consultant			65
Senior Conference Manager	IIR Finland	Kiuru-Tanner, Seija	Helsinki	14.1.2005				consultant			59
Director, Corporate Communications and PR	Evia Helsinki	Lahtinen, Elina	Helsinki	24.1.2005				consultant			95
CEO, Co-founder	Heimo Consulting	Ylälahti, Eeva-Liisa	Helsinki	2.2.2005				consultant			43
VP, Corporate Communications & Marketing	Ahlström	Brown, Alistair	Helsinki	20.1.2005							65

Appendix D
Objectives in the analysis and in writing the description (continued)

Challenges related to the level of detail in the description

Although the basic objectives in the analysis and in writing the description, mentioned on page 61, were still fairly simple, it became clear to me that there was a very big challenge related to the level of detail in the description. First, the interviewees would describe in varying detail (a) certain management practices the management had become interested (as part of corporate branding) (1.1), when it comes to (a.a) defining the different component entities of the entities to be mobilized, as well as when it comes to (a.b) specifying the entities. Second, the interviewees would describe in varying detail (b) what the management thought these management practices and their component entities and their mobilization would do to certain other entities (2; 3) and their component entities and make them do. Third, the interviewees would describe in varying detail (c) the other entities (3), when it comes to (c.a) defining the different component entities of the other entities, as well as when it comes to (c.b) specifying the entities.

Below, I discuss how I attempted to tackle the challenges related to the level of detail in the description by having further objectives in analysis, in addition to the basic objectives of analysis (p. 61). I would, of course, attempt to conduct the analysis according to all these objectives. In practice, the analysis would be about balancing with the objectives, as the objectives were not very straightforward in nature. Concerning the discussion below, it can be noted that it may, to some parts, seem rather complex. However, I choose to discuss the analysis in the way I do, in order to pay attention to the general challenge in the description – which the above-mentioned challenges can be considered to be reflections of. In general, the challenge was largely about how to preserve the language of the actors' practice as required by ANT, while, on the one hand, making the description understandable to readers and, on the other hand, not describing things that would be highly taken-for-granted for both readers and the actors studied.

Objectives related to the level of detail in describing component entities and specifying entities

As different interviewees could make the descriptions at varying levels of detail and as one interviewee could give a description in more detail when requested, I would have to make the judgment at what level of detail to write the descriptions. When it comes to describing certain management practices the management had become interested as part of corporate branding (1) and particularly to defining the different component entities of the entities to be mobilized (a.a) – an interviewee could describe, for example, (a.a-E)

> that managers had become interested in making the corporate brand name an umbrella to product brand names; or
> that they had become interested in making the corporate name part of product names in product packaging, in promotion materials, in invoices etc.; or
> that they had become interested in combining the letters in the corporate name to the letters of product names and printing these combinations on product packaging, in promotion materials, in invoices etc.

The last one would not perhaps be described by any interviewee if not pushed and requested for ever more detail. However, if requested, further component entities could always be described: what components certain entities, which would be mobilized, would be composed of. In the second example description above, the corporate brand as an umbrella was defined to be the corporate name as part of product names in product packaging, promotion materials etc. In the third description, the corporate name as part of product names in these was defined as the letters of the corporate name combined to the letters of the product names and printed on packaging etc. Note that parallels could be largely drawn between the descriptions of different levels here. What was described in a more detailed description could be considered to define more component entities of some entities described in less detailed description. I call this kind of relationship between the descriptions "definition relationship".

On the other hand, when it comes to describing certain management practices the management had become interested as part of corporate branding and particularly to specifying the entities (a.b) – an interviewee could describe, for example, (a.b-E)

> that management had become interested in making the corporate brand name an umbrella to product brand names; or

>   that they had become interested in making the corporate brand name an umbrella to products sold directly to large customers
>   that they had become interested in making the corporate brand name an umbrella to publication product brand names and packaging board product brand names, sold directly to large customers.

Note that parallels can largely be drawn between the descriptions also here, albeit different kinds. What was described in the more detailed description could be considered largely to be an instance of what was described in the less detailed description, but being specified in more detail. In the second description, products are specified to products *sold directly to large customers,* relative to the first description. Also, products are specified to *publication paper products* and *packaging board products,* relative to the first and/or second description. I call these kinds of relationships between the descriptions "specification relationships".

Of course, particularly saying that "definition relationships" could be identified between the descriptions is inevitably a question of what entities the management, I as a researcher, and we together take for granted as being component entities of certain entities – based on our knowledge, experience, and education. And saying that "specification relationships" could be identified between the descriptions is inevitably a question of what entities interviewees, I as a researcher, and we together take for granted as being instances of other entities, albeit more specified. But rather than considering these taken-for-grantednesses as biasing my research, I actually pragmatically took advantage of them in identifying and describing the "management practices of corporate branding" for Part IV (1.1) (and management practices for Part III) and the "management interests in corporate branding" for Part IV (2; 3) (and other management interests for Part III), as discussed more in detail below. Moreover, I took advantage of what I assumed to be such component entities of certain concepts which the readers of my study would take for granted. I assumed that the readers be familiar with basic concepts and vocabulary of management and business life, but not necessarily with Finnish P&P corporations, their business, or their history or Finland or its history.

When analysing the interviewees' descriptions, I would pay attention to what management practices they themselves or the management in general had become interested as part of corporate branding: entities the management would have mobilized or had mobilized in some way, as with (1.1) above. Already in the interviews, when detecting the description of certain management practice, I could, on the one hand, attempt to have the interviewee to describe what he/she meant with the entities appearing in the description more in detail (~a.a), until the further entities described would be such that the *interviewee* would seem to take them for granted. Further, I could attempt to have the interviewee to describe what he/she means with the entities appearing in the description more in detail until the further entities described would be such that they would seem self-evident also to *me*, and such that I would assume also the *readers of the study* to take them for granted, as component entities of the entities of a less detailed description. For instance, in the above example (a.a-E), the third description could be considered to fill these criteria. It could be largely taken-for-granted for all that making the corporate name part of product names in product packaging, in promotion materials, in invoices etc. would probably mean combining the letters in the corporate name to the letters of product names and printing these combinations on product packaging, in promotional materials, in invoices etc. On the contrary, it would not be taken-for-granted e.g. that making the corporate brand name an umbrella to product brand names would mean making the corporate name part of product names in product packaging, in promotion materials, in invoices, etc.

On the other hand, I could also attempt to have an interviewee describe in more detail whether he/she meant all the instances of a certain entity appearing in the description or more specified subsets (~a.b), until the interviewee would not be able to easily make further specifications. Furthermore, should specifications arise, I could attempt to have the interviewee to describe more in detail what he/she means with the new specification entities (~a.a), until the further entities described would be such that the interviewee would seem to take them for granted, such that they would seem self-evident to me, and such that I would assume also the readers of the study to take them for granted. Actually, attempting to have the interviewee describe in more detail what they mean with new entities appearing in the descriptions and whether he/she meant all the instances of certain entity appearing would constitute a loop, converging towards a situation whereby further entities described would be such that the interviewee would seem to take them for granted, such that they would seem self-evident to

me, and such that I would assume also the readers of the study to take them for granted, as well as such that the interviewee would not specify easily any more.

Then, my objective would be to *give a label* to *a management practice of corporate branding [mP]* (headings of sections 8.1, 9.1, 10.1, 11.1 in Part IV; see also Figure 1, p. 18) according to one of the less detailed descriptions of those descriptions between which there would be "definition relationship" – based on which level several interviewees describing the management practice themselves would start the description for certain entities. In examples, this could be the second or first level in the example (a.a-E) or the second or first level in the example (a.b-E). When *describing* a management practice in writing (contents of sections 8.1, 9.1, 10.1, 11.1) – beyond labelling – my objective would, in turn, be to describe all the entities all the way to one level above the level on which the interviewee would seem to take the component entities for granted, when it comes to "definition relationship" descriptions, as well as describe most specifications of the entities, when it comes to "specification relationship" descriptions. This would reflect the idea of describing the actors' own world-building activities and preserving the language of their practice. However, if the component entities would still not seem such that they would seem self-evident also to me, and such that I would assume also the readers of the study to take them for granted, I could describe the level below, too. Concerning the example (a.a-E), I would not describe that making the corporate name part of product names in product packaging, in promotion materials, in invoices etc. would mean combining the letters in the corporate name to the letters of product names and printing these combinations on product packaging, in promotional materials, in invoices etc.

Objectives related to the level of detail in describing entities and their effects on others

In practice, the interviewees could make extensive definitions and specifications of entities also while describing what was or had been considered that the management practices or the involved entities and their mobilization would do or had done to other entities or would make or had made other entities do, as with (2; 3) above. But besides, as mentioned above, the interviewees would describe *in varying detail* what the management thought these management practices and their component entities and their mobilization would do to certain other entities and their component entities and make them do (b; c.a; c.b above). For instance, their description could be a combination of one of the descriptions like in the left column; "would contribute to having" – or corresponding expression, such as "would make" – like in the middle column; and one of the descriptions like in the right column in Table 16. Or the description could be one stating that a certain thing reflected in a description in the left column had been or was done "in order to" achieve certain thing reflected in the right column or "so that" it could be achieved.

Table 16: Example of descriptions of interests

Having the corporate brand name as an umbrella to product brand names		customers demand more of the corporation's products; or
Having the corporate brand name as an umbrella to publication product brand names	would contribute to having/ would make	more customers contact the corporation and trust it as supplier
Having the corporate name as part of product names in product packaging, in promotional materials, in invoices		more customers become aware of the corporation as a potential supplier
Having the corporate name as part of product names in publication product packaging, in promotional materials, in invoices		

Note that what is described in the left column could be considered to contribute to what is described in the right column. As the management would be interested in the management practices on the left side – since they would stand between the management and what is described on the right side – there would be "interest relationships" between what is described on the left side and what is described on the right side. But also, what is described in the third description in the right column could be considered largely to contribute to what is described in the second description in the right column and this could be considered largely to contribute to what is described in the first description in the right column. In other words, should the

management be interested in e.g. what is described in the third description on the right side, they could be interested in it, as it would interest or stand between the management and what is described in the second description. So, also between these individual descriptions on the right side, there would be "interest relationships".

   On the other hand, note that when it comes to descriptions on the right side, there could also be descriptions in varying detail (c.a; c.b) in the sense of "definition relationships" and "specification relationships", as above. Usually, in an interviewee's description of what the management thought certain management practices or the involved entities and their mobilization would do or had done to other entities or would make or had made other entities do, some entities would appear on both sides, and often be defined and specified in similar level of detail, e.g. customers, corporate name, etc. Nevertheless, also when it comes to entities appearing only on the right side, the descriptions could have additional "definition relationships" and "specification relationships". For instance, the "customers becoming more aware of the corporation as a potential supplier" in the third description in Table 16 could be defined in more detail as "the corporation's name coming into the minds of paper buyers of more customers when they think of potential suppliers and an idea of a potential supplier coming into the minds of paper buyers of more customers when they hear the corporation's name".

   Moreover, the interviewees' descriptions of what the management thought certain management practices or the involved entities and their mobilization would do or had done to other entities or would make or had made other entities do would often include *additional descriptions* of *how* the "contribution to having" would happen: what the management thought the entities and their mobilization (left column) would do to certain third entities and make them do – described in the additional description – and what this doing would do to the other entities and make them do (right column). For example, they could describe, as continuation to the above descriptions illustrated in Table 16:

> [left]...would make...[right], as the customers would be reminded more of the corporation
> [left]...would make...[right], as the customers would notice the corporate name always when encountering the corporation's paper product promotional materials and product packaging and be reminded of the corporation as producer of the paper products and as a supplier
> [left]...would make...[right], as the paper buyers of the customers would with their eyes see the letters of the corporate name in the corporation's paper product brochures and advertisements etc. and in their mind think that the producer of the products must be the corporation and that the corporation must thus be a paper supplier.

Note that also these descriptions could be considered to have "interest relationships" relative to each other, as well as relative to descriptions on the left side and those on the right side. And they could be considered to have "definition relationships" and "specification relationships" between themselves, as well as relative to descriptions on the left side and the right side.

   Again, when saying that "interest relationships" could be identified between the descriptions is inevitably a question of what entities the management, I as researcher, and we together take for granted as the effect of certain entities and their doings on other entities and their doings – based on our knowledge, experience, and education. And again, rather than considering these taken-for-grantednesses as biasing my research, I actually pragmatically took advantage of them in identifying and describing the "management interests in corporate branding" and the "management interests in corporate branding". Moreover, I took advantage of what I assumed the readers of my study would take for granted as certain entities' doings on other entities.

   So, when analysing descriptions interviewees made in their accounts, I would pay attention to what was or had been considered that the management practices or the involved entities and their mobilization would do or had done to other entities or would make or had made other entities do, as with (2; 3) above. If contemplating the relationships between the descriptions in terms of a table similar to Table 16, among several interviewees' descriptions my objective would be to *give a label* to *a management interest in corporate branding [mI]* (headings of sections 8.2.1–8.2.7, 9.2.1–9.2.8, and 11.2.1–11.2.5; see also Figure 1, p. 18) corresponding to the lowest description I would obtain to the right column concerning descriptions of what an interviewee thought certain management practices or the involved entities and their mobilization (1.1) would do or had done to other entities or would make or had made other entities do (2; 3). In obtaining this I would not use the more detailed descriptions that I would

obtain by asking interviewees to describe more in detail what the certain management practices or the involved entities and their mobilization would do or had done to other entities or would make or had made other entities do. This would reflect the objective of describing the actors' own world-building activities, also with respect to their interests.

On the other hand, when *describing* the *translations of the management interests to the management practices of corporate branding [mI's→mP's]* (see contents of sections 8.2.1–8.2.7, 9.2.1– 9.2.8, 10.2, and 11.2.1–11.2.5), I would base also on interviewees' additional descriptions (see above) of how the "contribution to having" would happen. In other words, what the management thought the entities and their mobilization (1.1; left column) would do to certain third entities and make them do – described in the additional description – and what this doing would do to the other entities and make them do (2; 3; right column). Also, here I would use more detailed descriptions that I would obtain by asking interviewees already in the interviews to describe more in detail what the certain management practices or the involved entities and their mobilization would do or had done to other entities or would make or had made other entities do (~b). My objective would be to describe the entities and their effects on other entities and their doings all the way to the detail levels on which the interviewees would seem to take the entities' effects on other entities and their doings for granted. At the same time, I would have the earlier objective of describing the entities and their component entities all the way to the detail levels on which the interviewees would seem to take the component entities for granted, when it comes to "definition relationship" descriptions, as well as all the specifications of the entities, when it comes to "specification relationship" descriptions. However, if the entities' effects on other entities and their doings of component entities would not yet seem such that they would seem self-evident also to me, and such that I would assume also the readers of the study to take them for granted, I could describe them at a more detailed level, too.

Balancing with objectives related to the level of detail

Actually, the objectives of analysis discussed above could not be separated from each other but I had to try to balance with the objectives and optimize their achievement simultaneously when trying to learn in more detail from the interviewees and write descriptions about the management practices of corporate branding in which the management had become interested, about the management interests in corporate branding, and about translations of management interests to practices. In other words, I would attempt to write the description so that each of the objectives would be reached at least moderately, even in case the objectives concerning the level of detail would sometimes contradict to some extent.

Nevertheless, at latest at this point, I have to point out that the whole idea of referring to "specification relationships", "definition relationships", and "interest relationships" between descriptions is possible only, as the interviewees and management, as well as I as researcher and the readers, tend to take certain entities and their relationships for granted. We take for granted some interests, or what certain entity would do to others or make them do, in making definitions. And we take for granted some definitions or component entities of entities, in making certain specifications.

For instance, assume that Jack describes that he is interested in hearing barking. Moreover, he could describe that he thinks having "X" near him makes him hear barking. Hence, he will be interested in having "X" near him. This implies "interest relationships" between "Jack is interested in hearing barking" and "Jack is interested in having X near him". If asked to describe more in detail how he thinks "X" near him makes him hear barking, he might describe component entities of "X", e.g. that "X" means "Jack's dog seeing a cat", as well as what he thinks the component entities would do to other entities, e.g. that seeing a cat makes Jack's dog bark and Jack's dog barking near Jack makes Jack hear barking. So, now there would be interest relationships between "Jack is interested in hearing barking", "Jack is interested in having Jack's dog near him", and "Jack is interested in having Jack's dog see a cat". If asked to describe even more in detail, Jack might define further component entities of e.g. "seeing", "cat" and "dog" and their combination in describing how he thinks seeing a cat makes Jack's dog bark: e.g. eyes, dogs' aggression towards cats, even chemical reactions in a dog's brain and nervous system.

Nevertheless, note that there is also a "definition relationship" implied between the descriptions "Jack is interested in having X near him" and "Jack is interested in having Jack's dog seeing a cat near him", and an additional description that "Jack is interested in having the

cat be reflected in the eyes of the dog in his room and the dog's aggression towards cats evoked and the dog's brain and nervous system generate barking". So, in describing interests, or what certain entity would do to others or make them do, by using certain defined entities, Jack, or we, always take for granted certain interest relationships. For instance, in describing that "Jack is interested in having X near him", as "Jack is interested in hearing barking", we take for granted that "X" means "Jack's dog seeing a cat" and that we think that seeing a cat makes Jack's dog bark. In other words, we could always describe interests by defining more component entities of certain entities and what they would do to others and make them do – by not taking them for granted.

Returning to my analysis, since the interviewees and we always describe interest relationships by using certain defined entities, I would accept that in making definitions we always take for granted certain interest relationships, how entities have component entities that make them do something to other entities – in order for me to be able to write any kind of description. And as implied above, my objective would be to describe the entities and their effects on other entities and their doings all the way to the detail levels on which the interviewees would seem to take the entities' effects on other entities and their doings for granted. However, as also already implied, if the entities' effects on other entities would not yet seem, at this level of description, such that they would be quite self-evident to me and such that I would assume also the readers of the study to take them quite for granted, I could ask the interviewees to describe and then describe in writing the interests by defining more component entities of certain entities and what they would do to others and make them do them at a more detailed level. Regarding the above example, this would, at least, mean that I would ask Jack to describe more in detail how he thinks "X" near him makes him hear barking and describe this when writing the analysis.

On the other hand, Jack could describe that he will be interested in having not only "X" near him, but specifically "Y" near him. Moreover, he could consider that "Y" is a specific instance of "X". This would imply there would be a specification relationship between the descriptions "Jack is in having X near him" and "Jack is interested in having Y near him". In making the specification and considering "Y" as specific instance of "X", however, Jack would be taking for granted the definition of "X", or the component entities of "X", which also "Y" would have in order to be an instance of "X". If asked to describe more in detail, what makes "Y" an instance of "X", Jack could describe that "X" means "Jack's dog seeing a cat" and "Y" means "Jack's dog seeing Garfield" and that he considers "Garfield" an instance of "a cat". However, still he would be taking for granted the definition of "cat", or the component entities of "cat", which also "Garfield" would have in order to be an instance of "a cat", e.g. genetic code or outlooks. So, in describing specifications, or certain entities as instances of others, Jack, or we, always take for granted certain definition relationships.

In the case of my analysis, since the interviewees and we tend to describe entities as instances of others, I would accept that in making specifications we always take for granted certain definition relationships, how an entity's similar component entities with another make it an instance of the latter. This I would do in order to not necessarily always describe separately e.g. what certain different entities would do on other entities or make them do. I would, for instance, not necessarily have to describe separately how seeing Garfield would make Jack's dog bark and how seeing Tom from Tom&Jerry would make Jack's dog bark. However, if an entity as an instance of another would not yet seem, at certain detail level of description, such that it would quite self-evident to me and such that I would assume also the readers of the study to take it for granted, I could describe the component entities. Regarding the above example, this would, at least, mean that I would ask Jack to describe more in detail what makes him consider "Y" an instance of "X" and describe this when writing the analysis.

Final objectives related to the level of detail – mobilization of entities actually realized

When it comes to the interviewees' descriptions of management practices of corporate branding or the mobilization of which entities had actually been planned and realized in or by certain corporations (1.2), there was a further challenge. Namely, when describing (1.1) management practices or mobilization of entities they themselves or the management in general had become interested (as part of corporate branding) and (1.2) what management practices or what mobilization of which entities had *actually been planned and realized* by certain corporations, the interviewees would often describe the latter in more detail than the former. In a way, they could

take it for granted that the entities mobilized and their mobilization would be component entities or instances of such entities and their mobilization in which the management had become interested in. For example, an interviewee could describe (1.1/1.2-E1) that the management had become interested in making the corporate brand name an umbrella to product brand names by the early 2000s and then describe how the corporate name had in his corporation been made part of product names in product packaging, promotional materials, invoices etc. in the year 2002. On the other hand, sometimes they could describe the two at a similar level of detail. For example, an interviewee could describe (1.1/1.2-E2) that the management had become interested in making corporate brand name an umbrella to product brand names by the early 2000s and then describe that the corporate brand name had in his corporation been made an umbrella to product brand names in 2002. Or he could describe that the management had become interested in making the corporate name part of product names in product packaging, promotion materials, invoices etc. by the early 2000s and then describe how the corporate name had in his corporation been made part of product names therein in 2002.

The further challenge would, of course, directly relate to the level of detail in which the interviewees would describe certain management practices they had become interested in corporate branding. Specifically, it would relate to the level of detail in which the interviewees would describe the component entities of entities. For instance, in the above example (1.1/1.2-E1), the interviewee would describe the management practices or mobilization of entities they themselves or the management in general had become interested in less detail than the management practices or the mobilization of which entities had actually been planned and realized by certain corporations. But in the other example (1.1/1.2-E2), the interviewee would describe them at a similar level of detail.

When it comes to writing the description, a final objective of mine would be to describe the component entities to the level of detail according to the level of detail at which, among several interviewees describing a management practices which the management had become interested in and the corresponding management practices actually planned or realized, the interviewees describing them in most detail would make the descriptions. Nevertheless, as the level of detail at which component entities of entities were described would directly relate also to the notion that there would be "definition relationships" and "specification relationships" between descriptions, addressing the challenge could not be done separately from the objectives of analysis discussed above and the further objective would thus have to be balanced with those objectives. Again, I would attempt to write the description so that each of the objectives would be reached at least moderately, even in case the objectives concerning the level of detail would sometimes contradict to some extent. Eventually, analysis according to the objectives meant that sometimes I would end up describing the management practices, or the mobilization of entities actually been planned and realized by certain corporations, at a similar level of detail as the management practices or mobilization of entities in which management in general had become interested as part of corporate branding – and sometimes at different level of detail. Describing them at different level of detail would basically be justified by the lack of sense in describing extensively things that would be highly taken-for-granted for both readers and the actors studied.

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