THE INDUSTRIAL BRAND MANAGER
PRODUCT MANAGER AND BRAND COMMUNICATOR

-Based on a case company, Alfa Laval, illustrated by insights from Mars, Unilever and Nestlé-

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SAMMANFATTNING

Titel: *THE INDUSTRIAL BRAND MANAGER – Product Manager and Brand Communicator.*

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Kurs: Marknadsföring, 10 poäng, magisteruppsats.

Författare: Mia Hagström   Anna Marciniak

Handledare: Dr Mats Urde

Fem nyckelord: industrial brand manager, brand manager, industrial brand management, brand management, business to business.

Syfte: Det övergripande målet med denna uppsats är att undersöka varumärkschefens roll i ett globalt industriellt företag.

Metod: Både primär- och sekundärdata har använts i form av skrivna källor såväl som intervjuer. Primärdatan har genomförts i Sverige, Danmark samt i Polen. Sekundärdatan har samlats in främst i Sverige på t.ex. bibliotek och Internet.

Teoretiska perspektiv: För att få en bättre förståelse för varumärkesstyrning inom industrisektorn var det nödvändigt att noga undersöka existerande material på ämnet även om detta inte var någon lätt uppgift med tanke på den mycket begränsade mängd forskning som gjorts på området. Böcker, Internet, tidningar, databaser, marknadsrapporter, artiklar och avhandlingar har alla varit en viktig del av sekundärdatan.

Empiri: För att nå det uppsatta målet vi har valt att studera och analysera ett globalt industriellt företag, Alfa Laval AB, Alfa Laval DK, Alfa Laval PL och dess samarbetspartners såsom en reklambyrå. Vidare har vi studerat tre globala företag inom konsumentvarumarknaden, Mars, Unilever and Nestlé, för att få en helhetsbild av varumärkeschefers roll och ansvar inom konsumentvarumarknaden som redan har kommit en bit på väg i utvecklandet av varumärkestänkandet.

Slutsatser: När vi studerade två företagsmiljöer, den industriella och den konsumentvarustryda, gjorde vi jämförelser inom var och en men även mellan de båda. Vi upptäckte att de givetvis hade många olikheter men också några överraskande likheter. Den mest slående likheten är att båda miljöer är långt mycket mer varumärkesfokuserade än vad litteraturen vill få dem att verka. Med andra ord, varumärkesledning är inte ett fenomen som är isolerat till konsumentvarumarknaden även om utvecklingen nått längre där.

Vem varumärkeschefen är och vad hans/hennes roll och ansvar är, beror på många faktorer, t.ex. karaktärsdrag inom marknaden och industrin, företagets kultur och den sorts varumärkespolitik som företaget utövar: *corporate brand management* eller *product brand management*.

SUMMARY

Title: *THE INDUSTRIAL BRAND MANAGER – Product Manager and Brand Communicator.*

Seminar date: 6th of October 2004

Course: Major: Marketing, 10 Swedish Credits, Master Thesis in Business Administration.

Authors: Ms Mia Hagström   Ms Anna Marciniak

Advisor: Dr Mats Urde

Five Key words: industrial brand manager, brand manager, industrial brand management, brand management, business to business.

Purpose: The main objective of this thesis is to study the brand manager's role within a global business to business (B2B) company.

Methodology: Both primary and secondary data have been used in this thesis in form of written sources as well as interviews. The primary data have been conducted in Sweden, Denmark as well as in Poland. The secondary data have been gathered primarily in Sweden at for example libraries and on the Internet.

Theoretical perspectives: In order to receive better understanding about brand management within B2B it was necessary to become absorbed in already existent surveys on the subject, although this was not the easiest task due to the very limited amount of research that has been done in this area. Books, the Internet, Magazines, and Databases, market reports, articles and doctor's dissertations have all been an important part of the secondary data in this thesis

Empirical foundation: In order to meet the main objective we have chosen to study and analyse one global B2B company, Alfa Laval AB, Alfa Laval DK, Alfa Laval PL and its co-partners such as an advertising agency. We have also studied three global business to customer (B2C) companies, Mars, Unilever and Nestlé, to get a picture of brand managers' role and responsibilities within the B2C environment which is already quite far ahead in the development of the brand management thinking.

Conclusions: When studying two different business environments, B2B and B2C, we made comparisons within each but also between the two and we discovered that they have many differences, of course, but also some surprising similarities. The most striking one though, is that both environments were much more brand-focused than the various literatures describes them to be. In other words, brand management is not a phenomenon solely limited to the B2C environment, although the development has gone further there.

Who the brand manager is and what his/her role and responsibilities are, are influenced by many factors, e.g. market and industry's characteristics, the company's culture and the kind of brand management the company is doing: corporate brand management or product brand management.

PREFACE

We would like to give our special appreciation to all people that have made this thesis come true.

Firstly, Mr Fredrik Bertilsson at Alfa Laval Thermal and Mr Peter Torstensson at Alfa Laval AB, Mr John Petersen and Ms Pia Kee at Alfa Laval A/S, Ms Malgorzata Chmielewska at Alfa Laval Poland and finally Mr Lars Österlind at Appelberg Publishing Agency for their kind reception and their sincere concern in our study.

Secondly, the tutor engaged in our work, Doctor Mats Urde, for guidance and helpful advice.

To all those mentioned above and to all others who have helped us make this thesis possible, our heartfelt thanks!

Lund November, 2004

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Mia Hagström   Anna Marciniak

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1 INTRODUCTION

"A company without a brand is like a jellyfish without a backbone." This section introduces the thesis and explains the purpose and the research problems. It also clarifies the delimitations and presents an outline for the thesis.

1.1 Background

Brands are often the most valuable assets a company owns. Brand management has for a long time existed as a discipline applicable only for consumer goods. It has been used to increase the company's financial performance as well as its competitive position. Finally, this process has captured even the attention of industrial marketers, who want to make use of the potential of their companies and their products and brands (Mudambi, 2001).

B2B companies seem more likely to place emphasis on managing their name as if it was a brand. Shorter product life cycles and a broader bare of stockholders are two of many factors causing organisations to look at their corporate name more as a brand. The changing dynamics of product marketing seem to make the corporate brand more important. Mergers, increased global activism, and not only transactions- but also relationship building, are other reasons for the growth in importance of corporate brand management. Harder competition calls for clear definition of what the combined corporate brand is and what it represents (Balmer J., 2001).

Today, B2B is in the arena of one of the branding discipline's most popular management trends: corporate brand management. But corporate brand management is much more than only a phenomenon. Corporate brand management is a key strategic concern for organisations, though the company's well-being, if not survival, may rest on the success of their corporate brands (APQC International Benchmarking Clearinghouse, 2001).

The objective of brand management is to maintain the consistency and strength of the brand, so that it can be adequately exploited. This should be the work, not only for the B2C brand manager but also, for a good industrial brand manager…

1.2 Problem Discussion

Today's business environment for brand management is much more complex than it used to be. Savvy customers, increased competition of all kinds, the emergency of new marketing tools, and the failure of old standards has all combined to present a challenge for brand management and brand managers of today (Mudambi, S 2001).

Although brand management is getting more importance on the B2B agenda, comments such as "neglected" (Kim, J., Reid, D., Plank R. and Dahlstrom, R., 1998), "ignored" (Lamons, B. 2000), "under-used" (Thompson, K.E; Knox, S.D and Mitchell, H.G, 1998) and "under-researched" (Mudambi, S. M., Doyle, P. and Wong. V. 1997) describe its position.

While there is an extensive literature devoted to brand management and brand managers within B2C market (Hankinson, P. & Hankinson, G, 1998, 1999; Veloutsou C. & Panigyrakis G., 2001; Voloutsou C., 2002) little is known about industrial brand managers which may lead to the conclusion, that brand management is unimportant in B2B markets (Lynch J., de Chernatony, L., 2003).

The role of brand managers in B2B companies still creates several questions. Are brand managers needed in this business? What are the possible roles in this market, and if brand managers *do* play a role, how relevant are they in the B2B market? Who are the industrial brand managers and what are their responsibilities? Is the brand manager a major or minor asset in the B2B market?

The brand manager within B2C companies has at times been described as a "general manager" with the broad responsibility for the marketing success of the brand or brands assigned to him/her. While this might seem a bit exaggerated, the brand manager, nevertheless, fulfils a critical middle management function in the marketing structure of the B2C companies (Panigyrakis G. & Veloutsou C. 1999). How does it look like in B2B companies and particularly at Alfa Laval (AL)?

The key question motivating this thesis is about roles and responsibilities that industrial brand managers have in B2B companies. The assumption we made is that brand management is important despite of kind of market, but different factors do it more or less developed and

inapplicable.

1.3 Purpose

The principal purpose of this thesis is to examine the role and responsibilities of brand managers within the B2B market. Since the development of brand management has come a much longer way within the B2C environment, three B2C companies were studied and were used as an illustration and background for discussions and evaluations.

1.4 Problem Formulation

To get the whole picture of what a B2B brand manager really does, it is necessary to look at many different aspects that may affect the brand manager's role and everyday work. What a brand manager does is depending on for example what kind of organisation he/she is working within, the business structure, the roles and responsibilities he/she is given, the support he/she gets from the top management etc.

1.5 Delimitation

When studying and analysing the above-mentioned subject, AL was chosen as the perfect "case company", illustrated by Unilever, Mars and Nestlé representing the B2C segment.

Brand management within the B2B industry has not been very frequently discussed until the latest few years and because of the extremely limited amount of written sources about brand management itself and brand managers operating in B2B markets it has been difficult to find appropriate literature.

1.6 Target Groups

Above all, this thesis is targeting all managers managing (global) brands. Secondly, we have tried to create the thesis upon a high academic level, with respect to business students and other interested parties.

1.7 Definitions

Brand Architecture – is an organising structure of the brand portfolio that specifies the brand roles and the relationships among brands and different product-market brand contexts (Aaker, 2000).

Corporate brand – a brand that encapsulates the additional values that are inherent or associated with the corporation and its products and services. Corporate brand is a guarantee of quality and the insurance against poor performance or financial risk (Urde, M. 1999).

Corporate brand manager – often the CEO of the company, or someone else on high level in the organisation, responsible for managing the corporate brand and "corporate sustainability". An implication of the responsibility movement is that the corporate brand manager becomes more of a facilitator, an orchestra leader rather than a sage or expert (Maio, E, 2003).

Category Manager – managing a whole product category rather than individual brands. Have to make sure that both customers' and companies' needs are satisfied (John Svensson, Business Category Manager, Nestlé).

Global Brand – a brand that offers consumers across the major geographic regions of the world, a consistent (i.e. standardised) proposition and the same product formulation. The consistency gives the brand the same reputation in terms of positioning and personality and establishes the same relationship with local consumers everywhere (Hankinson & Cowking, 1996).

Global Brand Manager – is in charge of developing a brand identity world-wide, ensuring that the companies in each country are faithful to the brand strategy, communicating and facilitating best practices, and encouraging consistency and synergy across countries (Hedlund G., & Rolander, D., 1990).

PHE – Plate Heat Exchanger, this thesis has focused on one of AL's products.

Product/Brand Manager – a product or brand manager has responsibility for a single product or a brand family, and thus has developed extensive knowledge of a specific market (Brassington & Pettitt, 1997).

Total Brand Management – when brands become business systems, brand management becomes far too important to live to the marketing department. It cuts across functions and business process. It requires decisions and actions at every point along the value chain. It is central to a company's overall business strategy (Edelman & Silverstein & Chapuis, 1993).

1.8 Outline

To facilitate any further reading, the "agenda" of this thesis is presented below. The outline summarises the set-up and aims to provide an understanding for the content. The study is divided into a couple of main sections that sequentially lead to the final conclusion/s.

Chapter 2   Methodology
Here we explain methodological choices and describe how the study was carried out.

Chapter 3   Theoretical Framework
This chapter consists of the theoretical models that have been used as a tool for the empirical study and for the analysis.

Chapter 4   Case Study – B2B (AL)
Description of what was found when AL was studied, what does a brand manger do within B2B? Reflections, that came up under the research process.

Chapter 5   Illustration – B2C (Mars, Unilever and Nestlé)
Short description of what was found when Unilever, Mars and Nestlé was studied, what does a brand manger do within B2C? Reflections, that came up under the research process.

Chapter 6   Analysis
Analysis and discussion of how well the interviews match the existing literature. What was compatible and what was not?

Chapter 7   Conclusions
A short summary of the analysis and a comparison between the two chosen business environments, B2B and B2C, as well as a short look into the future.

2 *METHODOLOGY*

The purpose of this particular section is to give the reader a simplified picture of our modes of thought, the choices we have made regarding the research process, the research design and the data collection.

2.1 The Research Process

In order to investigate the research objectives, the case study method was adopted. Yin (1994, p 13) defines the case study method as an empirical inquiry that "investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are clearly not evident, and in which multiple sources of evidence are used".

Consistent with Yin's (1994) three principal research approaches, this study is exploratory in nature in that it aims to help in the development of propositions and/or hypotheses for subsequent examination in other companies. It is descriptive in nature in that it attempts to provide a detailed description of the phenomenon (the brand management system, the role and responsibilities and problems of brand managers) within its context (the AL, Unilever, Mars and Nestlé companies). In relation to the third research approach, this study is not classically explanatory, as it does not attempt to test any casual relationships. However, it may uncover some potentially casual relationships which may be "tested" in the future.

2.2 Practical Approach

The practical approach refers to the ways of obtaining data. Data can be collected for case studies via six different sources: *interviews, direct observations, participant observations, archival records, physical artefacts* and *documentation*. The researcher has the opportunity to use various sources of evidence of the same phenomenon (Yin, 1994).

In this thesis both secondary and primary data have been used and they are presented in section 2.2.1 and 2.2.2 below (Eriksson & Wiedersheim-Paul, 1997).

2.2.1 Secondary Data

Secondary data are information, which is collected for another purpose than the research at hand. The primary advantage of secondary data comes from availability. Obtaining them is faster and less expensive than acquiring primary data. An inherent disadvantage of secondary data is that they are not designed specifically to meet the researcher's needs.

In order to receive better understanding about brand management it was necessary to become absorbed in already existent surveys on the subject, although this was not the easiest task due to the very limited amount of research that has been done in this area. Books, the Internet, Magazines, and Databases, market reports, articles and doctor's dissertations have all been an important part of the secondary data in this thesis and can be found in the list of references.

2.2.2 Primary Data

Primary data are gathered for a specific problem at hand and can be used as a complement to the secondary data. The most obvious advantage with this approach is that the collected information is tailored for the company and the situation in question. Nevertheless, the disadvantages are evident; time, costs, relevance, and availability are all issues one has to consider when using this process.

Interviews of all kinds (personal, telephone, postal etc) have been used in this thesis. The interviews were conducted in Sweden, Denmark and Poland and are all presented in the following sections below as well as in the list of references.

2.3 Criticism of Collected Data

The aim with criticism of gathered data is to decide to what extent the sources are valid, relevant and reliable (Eriksson & Wiedersheim-Paul, 1997).

2.3.1 Secondary Data

The models and theories chosen have of course been a useful aid when conducting and analysing the research material. Nevertheless, we found that they sometimes narrowed our ways of thinking as they are already developed and finished in a certain way, which might not necessarily be in accordance with reality in this study.

The lack of written information about brand management within B2B and the scant attention from academics (Lynch J., de Chernatony L., 2003), numerous of times resulted in problems to find relevant material on B2B brand managers; instead we ended up with information about product managers. In addition, the limited work on business brand management has largely ignored the role of industrial brand managers and the extent to which the success of the industrial brand depends on them. Many times, not to say always, the literature compares different types of brand managers (i.e. product- vs. corporate brand managers) without even taking into consideration the huge differences between the two; it is like comparing apples with pears!

Many theories and models, articles, books and research, that offer insights into brand management were created for B2C markets and are not directly applicable to B2B markets due to differences in market conditions. The business literature, although limited, does include explorations of industrial brand value and even misconceptions about brand, that helped us in our research.

Another aspect to consider is that the most current information, like economical reports and various magazines were not always fully accessible. This can lead to hasty conclusions. A danger in depending too much on Internet sources lies in the low level of reliability that can occur sometimes.

2.3.2 Primary Data
This thesis was first started in year 2000 but has not been completed until this day, 4 years later. This is due to several factors but first and foremost it comes down to our job situation and we have tried to "squeeze" time in to work on this heavy project. Another reason for this "delay" has been the difficulty to find appropriate literature. The positive side effect with having worked with the material for such a substantial amount of time is that we have read the text over and over again and been able to better ourselves in terms of the whole outline, the quantity of interviews and even the subject. The latter has been changed from being a research around B2B brand managers only but then shaped and broadened to be study of B2B brand managers in comparison with B2C brand managers.

We are aware of that the situation in the case companies might be different now from when the interviews were conducted and therefore we would like to reserve ourselves from any kind of inaccuracy that might appear in the discussion and analysis of this thesis.

2.4 Selection of Companies

The selection of case company was quite obvious since AL is a perfect example of a global B2B company in its way towards brand-orientation but still in the process of development and implication broadness of brand management thinking.

After having gathered good knowledge about the brand management in AL it felt natural to turn to the B2C environment and see what the situation looked like there and what B2B companies, such as AL, miss and can learn from them. This led us to our three illustrating companies within B2C, Unilever, Mars and Nestlé where further studies were carried out.

Already since the start of this thesis our aim has been to focus on brand managers within the B2B environment and therefore we did several interviews on AL (in Sweden, Denmark and Poland). When we then decided to look at brand managers within the B2C segment too we selected three companies operating more or less on the same market (with FMCG), and carried out one interview on each of the companies since these would only serve as an illustrating example when comparing B2B and B2C.

When the time then passed (as discussed in section 2.3.2 above) it felt important for us to do another interview at AL since much can happen during a couple of years. Why only an updating interview was carried out at AL and not on the B2C companies too was because we wanted the focus to be on B2B brand managers. When looking back we are pleased to see that something good came out of the 4 years delay, during the second interview at AL we found out that much had happened with the progress in their brand management thinking and a "real" brand manager had now been hired.

3 THEORETICAL FRAMEWORK

In this chapter two theoretical models, which will serve as useful aid when analysing the problem in the following chapters, are presented. The majority of other existing theories and models within brand management could not be used and serve as a tool for research and analyses of the thesis' purpose since they are created for and applicable solely on B2C companies.

I. FROM BRAND MANAGEMENT TO BRAND LEADERSHIP

The classical brand management system, implemented by P&G in 1931, had many decades a profound effect on how firms around the world managed their brands. Then the brand manager's job was to create "the winning brand", even if winning would be achieved at the expense of other brands within the firm and limited its action to a relevant market in a single country. Consumer product manufacturers have been the most common adopters of the brand management system. Their need to give each of their wide variety of products individual marketing attention has led many of them to adopt this philosophy of management.

Emerging market complexities, increased competition, fast globalisation and changing business environments along with brand extensions and complex sub-brand structures among others, have changed the role of the brand manager and forced companies to introduce a new brand management system – the brand leadership model, which is gradually replacing the classical, tactical oriented one, pioneered by Procter & Gamble (Aaker & Joachimsthaler, 2000).

As can be seen from appendix 10, the transition from the classical brand management system to the brand leadership model resulted in many new strategies as well as tactics. One is the global perspective of brand management, which will be this thesis main focus.

3.1 Roles and Responsibilities

As more and more companies see the entire globe as a potential market, there is a strong intention from brand managers to succeed in creating global brands; brands whose market position, advertising strategies and personalities are in most respects the same across countries (McCalman, J., 1996). According to David Aaker and Erich Joachimsthaler (2000), creating a strong global brand requires global brand leadership. This means to identify and use such organisational structures, processes and culture that can allocate brand-building resources globally, to create global synergies and develop a global brand strategy, which could co-ordinate and leverage brand strategies in different countries. There are four perceptions for companies who are seeking to achieve global brand leadership in the way that figure 3.1 shows. Companies should support global brand planning process; stimulate the sharing of insights and best practices across countries, markets and products; assign global managerial responsibility for brands; and execute brilliant brand-building strategies.

Figure 3.1 **Effective Global Brand Management** (Aaker & Joachimsthaler, 2000).
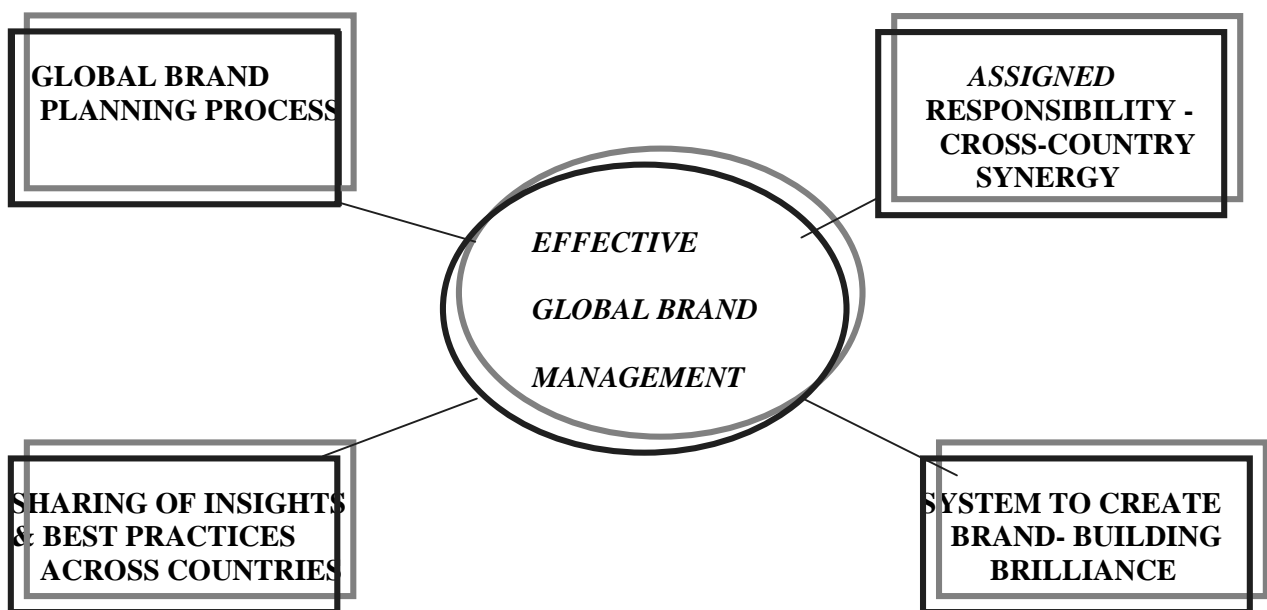
3.1.1 The Global Brand-Planning Process

E-commerce and an increasing number of information channels give customers instant access to competitive price and performance information. This leads to an accelerated need for B2B and B2C companies in training effective global brand managers and to consider them as long-term assets since brands have significant financial and commercial value.

Global brand planning process with customer focus is a core competence of good value and good global brand management (Aaker & Joachimsthaler, 2000). Companies that practice global brand management in order to avoid inconsistencies across markets and products tend to use it frequently. Global brand planning process is an approach that integrates a brand presentation in such a way that it looks and sounds the same wherever it is delivered. The goals of the global brand planning process are:

- To tie global brand strategies to local and country brand strategies by developing a shared vocabulary process model to use for e.g. strategic analysis, brand strategies, brand building programmes.
- To communicate brand identity to all in the company and the company's partners by e.g. brand manuals, workshops, newsletter and/or videos.

The process involves: the creation of a common brand strategy, a global brand strategy related to country brand strategies; strategic analysis identifying the key customers, competitors, understanding the core drivers of consumer buying behaviour and consistently acquiring customer data; brand building programs that drive collected data into brand development, improves product and service experience and messages; goals and measurement that validates strategic messages and activities with the target market.

Figure 3.2 **"Global Brand Planning Process"**

GLOBAL BRAND PLANNING PROCESS

* **Brand Strategy**

* **Brand Building Programs**

* **Strategic Analysis**

* **Goals and Measurement**

Brand Strategy

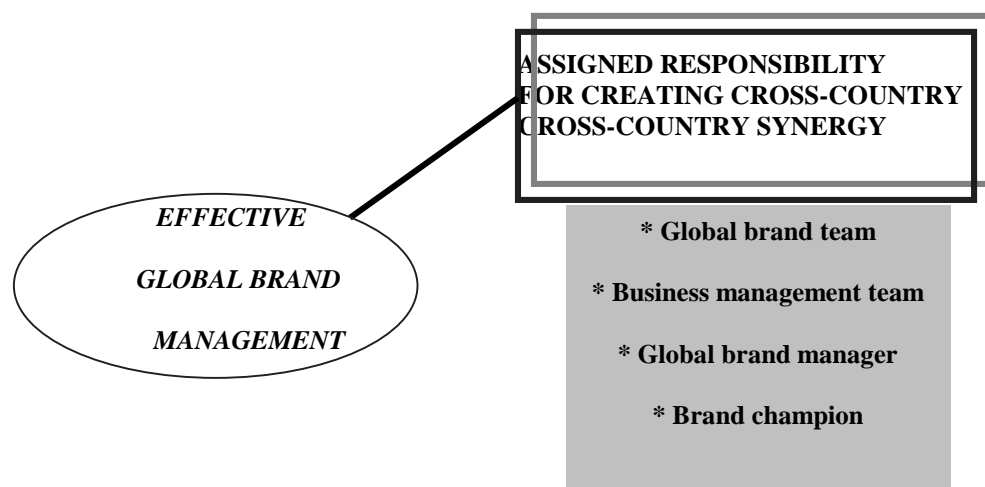*EFFECTIVE*

GLOBAL BRAND

MANAGEMENT

3.1.2 Assigning Responsibility to Create Cross-Country Synergy

Local managers and country teams that usually have the good knowledge of the local market, often argue that insights and best practices from other countries cannot be applied to their markets. Any suggestion of a global, centralised strategy cannot measure up their current efforts. The decentralised culture and the structure that the companies of today have, makes it more difficult to implement a global best practice. According to Aaker and Joachimsthaler to resolve such problems, an individual or group must be in charge of the global brand. The responsibility for global brand leadership can follow four possible configurations:

- Business management team
  led by senior executives; most suitable when the company's top managers are marketing- or branding people who regard brands as the key asset to their business.
- Brand champion
  led by senior executives, possibly the CEO, who serves as the brand's primary advocate and nurturer. This approach is most suitable for companies whose top executives have a passion and talent for brand strategy.
- Global brand manager
  led by middle managers in charge of developing a brand identity world-wide.
- Global brand team
  led by middle managers; global brand teams typically consist of brand representatives from different parts of the world, from different stages of brand development and from different competitive contexts.

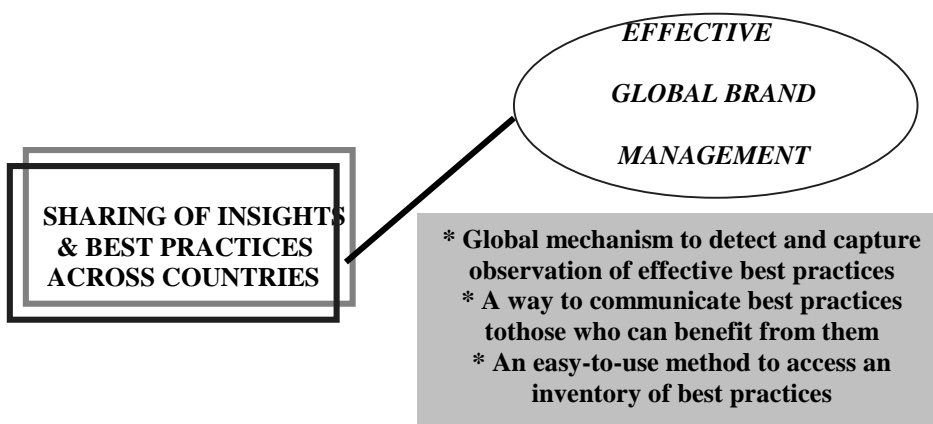Figure 3.3 **"Assigning Responsibility to Create Cross-Country Synergy"**

ASSIGNED RESPONSIBILITY FOR CREATING CROSS-COUNTRY CROSS-COUNTRY SYNERGY

EFFECTIVE GLOBAL BRAND MANAGEMENT

* Global brand team

* Business management team

* Global brand manager

* Brand champion

3.1.3 Sharing Insights and Best Practices

In order to achieve a successful global brand leadership the company should create a cross-country communication system. Such a system gives brand managers the opportunity to share insights, methods and best practices with each other. This is about to develop such processes or programs that help to create the culture that support the cooperation between different levels and local offices within a company. Among the most effective ways of communicating insights and best practices are regular meetings, both formal and informal, forming of personal relationships, intranet and hands-on field visits. All these activities energize and motivate the country brand management teams and help to communicate the corporate brand strategy plan. The main goal is to create global synergies and increase the knowledge by building expertise and skills.

Figure 3.4 **"Sharing Insights and Best Practices"**

EFFECTIVE

GLOBAL BRAND

MANAGEMENT

SHARING OF INSIGHTS & BEST PRACTICES ACROSS COUNTRIES

*** Global mechanism to detect and capture observation of effective best practices
* A way to communicate best practices tothose who can benefit from them
* An easy-to-use method to access an inventory of best practices**

3.1.4 System to Deliver Brand Building Brilliance

Aaker argues that having unconnected local brand strategies without direction or management will inevitably lead to global mediocrity and vulnerability. To achieve effective global brand leadership, the company has to create a system, which helps to achieve brilliance in local markets while still creating synergy and leverage by being a global organisation. A complete local brand system is usually uneven and lacks shared resources. On the other hand centralised brand management system creates synergies but requires also constraints and compromises. The important issue for most global companies is to balance the need to leverage global strengths with the needs to recognise local differences. Brand strategies should be built on adopt and adapt and they should include:

- integration for linking advertising, marketing and communication
- global approach with local application ("think global, act local")

Figure 3.5 **"System to Create Brand-Building Brilliance"**

3.2 Problems and Future of the Brand Manager (Journal of Marketing Management, vol 16, 2000)

The aim of this theory is to define the primary problems that face brand managers today, as well as try to see what the future holds in its hands.

Although the brand management system's great success in the past years there are still some problems or issues facing brand managers of today and many see no other solution than to change the marketing activities (Aaker D. A., & Joachimsthaler E., 1999). What kind of issues do brand managers have to face? Why does the situation look like this? What has happened?

3.2.1 The Brand Managers' Work Situation

After having studied previous authors' contribution on the subject (Lysonski S. J, Woodside A. G., 1985, 1990), we saw some similarities of what can be said to be the brand managers' main problems. Although the issues can, and most certainly will, change over time we do mean that they are highly relevant in our research and that there are many important lessons to learn from the following:

1. *The obvious lack of connection between their influences/power and their obligations.*
    The brand manager is often responsible for all or at least a number of, brands but he/she does not necessarily get to take an active part in the strategic decision-making process.

He/she does not have the power to implement all those strategies he/she is responsible to create.

2. *Time and work burden*

   Feeling of not having "enough" time for each brand, less attention to each brand than desired. Since the job descriptions many times are rather woolly, and no one really knows exactly what the brand manager should do, he/she ends up with loads of work and limited time to spend.

3. *Relationship with the CEO and other directors*

   Lack of trust and lack of authority. Brand managers are many times the spiders in the web but the long decision making process leaves the brand managers without any close relationship with the CEOs. Each and every manager has own goals to achieve and is many times too short-sighted and therefore maybe missing the overall picture of the brand which leads to lack of co-operation and communication.

4. *No clear job description*

   Most likely there is no exact description of what the brand manager should and should not do. This can easily result in that the brand manager takes on too much responsibility, which in turn leads to time shortage and stress.

5. *Lack of support and training*

   Goes hand in hand with that many do not understand what a brand manager really does and maybe even question whether he/she is needed, after all it is another pay check that leaves the account! Nowadays the general view in most companies is a short-term thinking process where the profit is brought to the front and the general view of the brand strategy is missing. Brand managers' status is often too low compared with managers from for example sales and purchase departments.

CASE STUDY&ILLUSTRATION

The goal for this thesis is to evaluate and discuss the brand managers in B2B companies. To successfully do so we have chosen to also look at the more mature B2C sector to see what has happened there and what B2B can learn from their development?

In the following two chapters a description of what we have found during our interviews with representatives from both business environments will be given. What does the situation look like? What does a brand manager really do?

4 CASE STUDY – B2B (AL)

In this part of the thesis, some insights from brand management within B2B, and particularly AL, are presented.

4.1 Introduction

Industrial marketers tend to ignore or underplay the benefits of branding. To many industrial marketers, branding is something for consumer products only; they simply do not understand how branding works for industrial products (Goozé, 1998). Is that true when it comes to brand management at AL?

Industrial organisations tend to be product-focused instead of customer- or brand-focused. Look at any industrial organisation and count how many brand manager roles exist, which may explain why there are so few brands and so many products (Hague P., 2000) Our interviewees at AL call themselves *industrial product managers* and all of them focus on building the company's corporate brand – ALFA LAVAL – by managing different products within the plate heat exchanger (PHE) product line. Although they title themselves as product managers we have chosen to call them brand managers, though they act as brand managers and there is no other function within AL that in a better way represents brand management.

4.2 The B2B Industry

Business marketers serve the largest market of all, where the dollar volume of transactions significantly exceeds that of the ultimate consumer market. All formal organizations – large or small, public or private, profit or not-for-profit – participate in the exchange of industrial products and services, thus constituting the business market. (Hutt Michael D., Speh Thoms W., 1998).
B2B products cover the whole range of goods and services produced by business organisations over any one period (usually measured over one year) and it can account for as much as one third to one half of a country's GNP depending on how the output is measured (Wright, 1999).
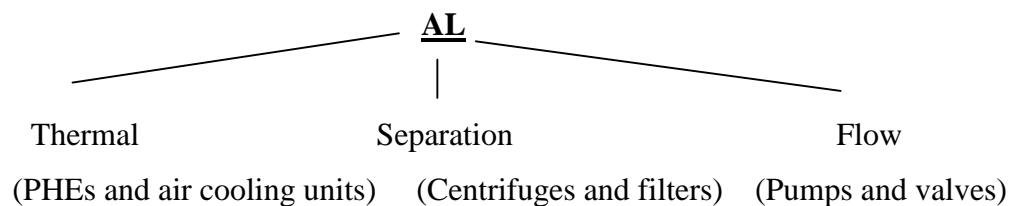
4.3 The Company – AL

AL, a 121 year-old business (founded in 1883), is a global leader in separation, heat-transfer and fluid-handling technology and provides specialised products and engineering solutions. The equipment, systems and services are dedicated to assisting customers in optimising the performance of their processes, time and time again.

AL provides engineering solutions to market sectors ranging from wine, brewing and dairy products to oil and gas, sugar, paper, pharmaceuticals and pulp manufacture. Global brands using AL's products include Budweiser, Coca-Cola, BASF, Du Pont, BP and Tetra Pak.

AL operates and manufactures in three primary areas of competence (see figure 4.1).

Figure 4.1 AL's core competences

AL

Thermal	Separation	Flow
(PHEs and air cooling units)	(Centrifuges and filters)	(Pumps and valves)

Through its international network of sales companies and with 10 500 employees, AL services a large, diverse customer base in more than 95 countries. Its ambition is to be the world leader in its key areas, helping to make industry more efficient, to save natural resources and to protect the environment.

4.4 Market Characteristics

In the market for PHEs it is essential that manufacturers are able to respond to customer requests with short lead times and that they are flexible in terms of production requirements. Adding the logistics this will become increasingly important as the market is also growing geographically. In order to respond to customer demands, companies must have manufacturing facilities and sources for raw stock in many locations around the world. Excellent service and support centres as well as extensive R&D programs are required to win the market, or even the world leader position (John Petersen, Managing Director, Alfa Laval A/S)

4.5 Reflections

Companies operating at the industrial markets, like AL, are not working with brand = product, as the companies within B2C do, but the focus is put on *corporate brand*, which is the centre of the companies' brand management strategies (Balmer J., 1998). The concept of corporate brand is the same as a product or service brand, since a brand is a cluster of functional and emotional values which promise stakeholders a particular experience (Balmer J., 2001).

AL produces PHEs and air-cooling units, centrifuges and filters and pumps and valves that are sold under one name - the company's name. B2C companies have millions of customers; the customers differentiate from each other when it comes to gender, age, background, income, culture and so on. It is much more profitable to work out one brand for each product that satisfies the customers' needs and wants. The companies that operate within the B2B market can have from one customer up to thousands. There are many ways to segment the market even in industrial markets, like for example customer's size, the product's application, cultural differences or the purchase frequency. This often leads to small customer segments and the requirements to treat and serve each customer in a special, unique way. That is why it is most profitable for B2B companies to coherently enacting corporate brands.

The corporate brand management needs to be a company wide activity, since all employees of an organisation must understand the importance of particular values and thus expectations about their styles of behaviour to support the corporate brand (Balmer J., 2001a).

5 *ILLUSTRATION – B2C (Unilever, Mars, Nestlé)*

After, in the previous chapter, having looked at the brand managers in a B2B company we now want to show the reality for brand managers in B2C companies. Is the situation different? What do the brand managers in B2C companies do? What can B2B learn from the lesson learned by B2C companies? Here, the companies as well as their brand management are presented.

5.1 The B2C Industry

The B2C industry is volume driven and is characterized by low margins. The B2C market is extremely competitive and manufacturers, keen to increase their market share, go to extraordinary lengths to ensure that their product remains in the public eye (Jobber D., 1995).

Brand building and extensive distribution network is a key factor. The products are branded and backed by marketing, heavy advertising, slick packaging and strong distribution networks. The task of the B2C marketer is to make the public aware of the company's products by awareness building advertising campaigns and in-store promotions, and by building brand loyalty. A successful brand is a precious asset, which could fetch a price many times the cost of assets required to make the product (Persons, A., 1996)

5.2 Illustrating Companies – a Presentation of Unilever, Mars and Nestlé

5.2.1 Unilever

Unilever has always been, and still is to some extent, a very local company where the growth has been due to internal mergers and acquisitions. The policy has been to hold only local brands and operate solely within Scandinavia. This is however, at the time of writing, about to change; the focus is now on a broader European perspective. One way in that direction is to cut down the number of brands from 1.600 to about 400 and on an even longer timeframe down to 50 brands. The consequences as far as the brand managers are concerned are firstly that it facilitates a greater focus on every single brand; each brand can now get the time and attention needed to make it successful. Secondly, a closer collaboration between other brand managers and directors is possible due to the creation of a "one-ness" with clear goals.

Only a couple of years ago the brand managers' role at Unilever looked a lot different than it does nowadays. The brand manager would then have a much broader responsibility, it included all from R&D to the actual launch of the brand in the stores. This proved to be a non-functioning system – no one can be an expert of everything. The situation today is instead that the brand managers handle product development, concept development while so called "category managers" implement the decisions and guide the brands into the stores and display them to the consumers. Brand managers are experts on the brand itself and the category managers are in charge of the consumers; naturally these two types of managers have to work very closely together and have a good relationship to each other.

5.2.2 Mars

Mars' history goes all the way back to the 1920's when the company was first founded by the American family Mars. Mars has for the last three generations been a fully family-owned company but during the year of 2002 the organisation has seen a total restructure due to the retiring of the current owner. Since there is no longer a natural heir within the Mars family it has for the first time been necessary to look elsewhere in order to find an appropriate person to handle the huge responsibility. The extreme patriarchal runned company has many times been an obstacle for employees at all levels, the brand managers being no exception, but through the restructuring it is commonly believed that the hierarchical structure will decrease.

The brand managers' situation within Mars has already approved over the years although there is yet much to be done. Ingrie Wange, senior brand manager at Mars, does not agree that being a brand manager is as negative as the literature sometimes makes it out to be. She feels that it might have been the case when she once started her career at Mars for about 8 years ago but now she can honestly say that she has the executives' total trust and engagement in her everyday work. The situation can however vary a bit for the different brand managers depending on "what kind" of brand manager they are and to "which zone" they belong[1]. At Mars a new employee has to start from the "bottom" as a trainee (zone 11-13) and then advance to junior brand manager (zone 6-8) and later on to senior brand manager (zone 1-3). All brand managers ultimately have the same issues to work with but the degree of responsibility differs. A junior brand manager in zone 6-8 has responsibility for a brand that

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[1] At Mars Inc. all employees are divided into a scale or zone-system where zone 1 is a maximum and somewhere around 11-13 is the lowest. These zones lay as a ground for how much responsibility and salary the brand manager are given.

stands for about 2-3% of the total revenue and is often the one who does the preparatory work that lays as a ground to the decisions but does not actually take a part in the decision-making process itself. A senior brand manager in zone 1-3 can be responsible for brands with say 80% impact on the revenue and be highly implicated in many projects and decisions making process.

5.2.3 Nestlé

Since it began over 130 years ago, Nestlé's success with product innovations and business acquisitions has turned it into the largest food company in the world. Today, Nestlé markets a great number of products, all with one thing in common: the high quality for which Nestlé has become renowned throughout the world.

Nescafé is Nestlé's biggest, individual product and was first launched in 1938 as the world's first instant coffee. It was by request from the "coffee-country" Brazil, who needed a method to dry coffee for restoring, that the water-soluble coffee powder was developed by a group of scientists at Nestlé's laboratory in Vevey.

The organisation is divided into a Nordic market team with a market manager, five brand managers and one business category manager in each of the Nordic countries; there are no local brand managers (see figure 5.2).

Figure 5.2 Nestlé's marketing team
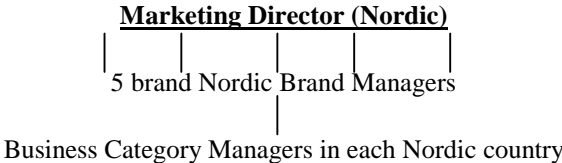
Marketing Director (Nordic)
5 brand Nordic Brand Managers
Business Category Managers in each Nordic country

The business category manager operates as a link between the Nordic countries and the Nordic market team. Each brand champion reports to the global CEO. The market team has meetings six times per year to set up short-term, Nordic, strategies. The market manager together with the SBUs sets up the long-term strategies.

The concept brand manager itself was born from the product manager's role but has developed to be more brand focused. Johan Svensson, Business Category Manager at Nestlé, says that Nestlé has done a good job with the brand focus but can still improve.

Positive sides with being a brand manager at Nestlé:
- You get to be a part of the maintenance of a strong brand.
- You work close to the consumers with interesting products.
- You will analyse and take actions to lead the brand in the right direction.
- You get to be in the "centre of attention"/"spider in the web".

Negative sides with being a brand manager at Nestlé:
- Brand managers sometimes function as a company of their own; there is no clear job description and every brand manager minds his/hers own business.
- You are stuck in the middle with sales people beneath, the market team above and managers on the sides.
- Being a brand manager is a stressful job – "the spider in the web".

5.3 What does a Brand Manager do within the B2C Environment?

The feeling of being involved throughout the whole decision-process can vary to a great extent in Mars depending on which title and/or which zone an employee has. As a senior brand manager at Mars, Ingrie Wange does not experience her being "left out" of important decisions or issues. She feels that the risk instead is to get too *much* involved in different projects because of the woolly job description that brand managers have to live with.

For Johan Svensson at Nestlé the feeling is contrary from what the theory says. His opinion is similar to Ingrie Wange's, he feels very much involved in decisions that are being made. It is necessary to have a clear limit set up of what to do and what not to do, or else it is easy to get maybe too involved (Svensson, Nestlé).

According to Niklas Andersson, Category Brand Manager at Unilever, the brand manager is the true team player in the organisation. He/she works as "a spider in the web", she/he is "stuck in the middle" with loads of strings attached everywhere in the organisation but with

little, or even no, say at all. The evident demands and requirements easily lead to a stressful workplace if the brand manager does not organise her/his work properly, it is vital to be flexible because of the difficult balancing.

When reading literature about brand management the common view is that brand managers have to deal with too many brands at too short time which leads to stress and the feeling of being overwhelmed with work. However, this might not necessary be the case in "real life".

At Mars as well as at most other companies there is a short timeframe and high expectations, to "create the best solution at the shortest time possible and with limited resources". This is an impossible equation but Ingrie Wange, Senior Brand Manager at Mars, does not see the situation as too much work but instead what it all comes down to is making the best priorities at the right time. Over the years it has been a tough job to be a brand manager at Mars and many times it still is. Therefore, it is important to actually demand the time necessary to make a good job with that particular brand. Who is best suited to figure out how much time that is required if not the "brand professionals" themselves' (Wange, Mars)?

The brand managers at Unilever are involved in most projects and have high expectations to live up to. The consequences are inevitably the feeling of stress and being overwhelmed with work. This situation has improved though when the brand managers have become more of specialists and the common goal is to move towards a more global world (Andersson, Unilever).

Being brand manager to one of the world's most global brand, Nescafé, means working in a stressful environment with an extreme work burden, once again Johan Svensson wants to point out the importance of planning and organising the hours each day (Svensson, Nestlé). In the case of Mars who operates on a huge market with loads of brands it is vital to have regional meetings on a continuous basis. Because of the size of the company and the strictly hierarchical structure every little decision requires a lot of time.

The tricky part is not to gain trust from the top managers but to make all ends meet and satisfy every wish. The short-term goals do not always go hand in hand with the long-term ones and it is the brand manager's job to find a well-functioning balance that will keep everyone, if not totally excited, at least pleased (Wange, Mars).

Unilever has ten brand managers in Scandinavia who have regular meetings but according to Niklas Andersson it could definitely be better. The brand managers all have close relationships with their category manager. The involvement with other managers and/or executives is in progress. The fact that Unilever now emphasis on more niche knowledge and a smaller range of brands is an obvious sign that they have understood the importance of a well-functioned brand architecture (Andersson, Unilever).

At Nestlé the marketing team meets six times a year to decide on new short-term Nordic strategies. The market director and the SBUs set up the long-term strategies (Svensson, Nestlé).

The problems with woolly job descriptions and an unclear role are all our interviewees well aware of. This is to a great extent the reason why the brand managers are being overwhelmed with work and obligations.

Johan Svensson would in short describe the job as implementing the brand strategies and make sure they are fully functioning, 20% strategy work, 30-40% analysis work (Svensson, Nestlé).

As been discussed earlier, the engagement, or at least the understanding, for the brand managers is changing at Unilever due to the re-focusing on a thinner brand portfolio (Andersson, Unilever). At Nestlé they consider themselves to be better on the brand management thinking than before but there are still much to improve (Svensson, Nestlé).

5.4 Reflections

Well-conceived international brand architecture is crucial for a strong corporate or product identity in international market and the ability to maximise the value of brands across national boundaries (Campbell A, 1999; Douglas, S. P.; Craig C. S, 1999) Unilever, Mars and Nestlé are multinational firms that own a variety of national, regional and international brands, at different levels in the organisation spanning a broad range of diverse country markets. Typically these brands differ in their strength, associations, target markets and the range of products covered, both within and across markets.

Within the B2C environment the brand managers are more playing the role of <u>product managers</u> than anything else (Hankinson G, Cowking P., 1995). The typical B2C company handles many different products under the company name; take for example Mars where you have products as Bounty, Twix and Snickers to name a few. The brand is often a product.

Here you can say that the brand manager is the communicator of the brand/product. There are many "competitors" (products) that fight for the same resources within the same company and product/brand cannibalisation occurs often (Kotler et al, 1997).

6 *ANALYSIS*

Here we will in more detail discuss and analyse what was said during the interviews (May, 2000) and how well it corresponds to the literature used in this thesis.

6.1 Effective Global Brand Management

Many brand managers within the B2C market recognize the value in building and properly managing a brand, but few of them can objectively assess their brand's particular strengths and weaknesses. Most have a good sense of one or two areas in which their brand may excel or may need help. But, if pressed, many would find it difficult even to identify all the factors they should be considering (Panigyrakis G., Veloutsou C., 1999).

Brand management has become by far one of the most adapted marketing organisation models used by both multinational and local consumer companies worldwide. Brand management boasts of several advantages. For one, brands, large or small, are given enough attention and are not neglected by a company. For another, the brand manager can react quickly to the developments in the marketplace without lengthy meetings. A third plus is that the excellent training and the nature of work leads brand managers often to the future position of general managers and CEOs (Aaker D. A., Joachimsthaler E, 1999).

The brand management system is not however without any defect, what was said during our interviews at B2B- and B2C companies?

6.1.1 The Global Brand Planning Process

Companies practicing global brand management in order to avoid inconsistencies across markets and products, use the global brand planning process. The goal is to integrate a brand presentation in such a way that it looks and sounds the same wherever it is delivered (Aaker D. A., Joachimsthaler E, 2000).

AL does not have a common global brand planning process at the time of this research (2000). Each regional office within the AL group creates its own strategy, being aware of the goals and basic principles of the whole company. According to all the interviewees, AL's brand managers have" free hands" to set up brand strategies. However, there is a need for brand

strategies involving a common global brand management with a common positioning and communication efforts at AL to avoid different brand directions and messages and to make the brand, ALFA LAVAL, speak the same language globally.

Since 1999 Birgita Lundblad, AL's marketing manager, and the company's CEO co-operates with an advertising company, Appelberg Publishing Agency. The agency helps AL build and maintain a strong brand identity by planning together with AL communication strategies, whether they focus on global marketing communications, management and employee information or investor relations.

"Here" is AL's magazine targeting the company's customers. The contents is standardised across all markets and the magazine is published in English and German three times per year. "One" is an internal magazine targeting AL's employees both those in Sweden and in other countries published in Swedish and English four times a year.

With AL's market expansion, the advertising was becoming inconsistent from country to country and sometimes distant from what should have been core identity elements. Local market research, which identifies customers' needs and quantifies the success or failure of their marketing actions in addressing these needs relative to competition, is playing an increasingly indispensable role in product- and brand management at AL. It guides AL's brand managers and marketers in identifying problems and opportunities and the effective allocation of scarce marketing resources.

Because of the complexity of products, AL perceives that knowledge of the products is far more important than understanding of the market and knowledge of marketing techniques, as they are taught in universities. For those reasons, AL often employs managers possessing a degree in engineering and not marketing. Only one of the interviewees has a degree in an area relevant to marketing management.

Brand managers' involvement in the distribution decision and contact with distribution channels is low. Distribution decisions are in the control of the top management and the sales department makes interactions. Brand managers are not able to have high involvement in the pricing and distribution strategy when it comes to the actual decision-making but are highly involved in the planning process. Brand managers are arguing that their role is changing

because of recent developments in the market. They believe that in the future the involvement they have in areas linked with distribution strategies and promotion to intermediates will increase.

AL's ambition is to have greater regional co-ordination and co-operation. The goal is to solve the age-old problem of balancing headquarters, brand managers and country managers. There is a need of delegating the responsibility for developing new products and marketing strategies for the entire market. Fredrik Bertilson, Product Manager, at AL Thermal AB, argues that one country should develop new products and create marketing campaigns for the whole region.

Within B2C companies the conflict of being involved in "everything" but have no say in "anything" combined with a stressful work burden often lead to that the category management or managing whole product category rather than individually brands has complemented the traditional brand management system. The category managers have to make sure that both the customer's needs and the company's needs are satisfied. He/she oversees management of the entire product category and focuses on the strategic role of the various brands in order to build profits and market share. Is every department contributing to the success of the brand? Are experts sharing their experience and knowledge, or are they operating from functional bunkers? What would enhance teamwork? Team working is now a common place within leading companies. To successfully develop added value chains of business at global and local levels require a mutual respect, a willingness to learn from one another, and an ability to synthesize the knowledge of different experts.

6.1.2 Assigning Responsibility to Create Cross-Country Synergy

The research done by Aaker and Joachimsthaler (2000) shows that responsibility for global brand leadership can follow four different configurations that we described earlier: business management team, brand champion, global brand manager and global brand team. So who is responsible for brand and brand strategy at AL?

The organisational structure of brand management at AL is rather decentralized at the time of the research. Brand managers at regional offices formed a company-wide committee through which a corporate-wide consistency in message is expected to be sought. As a team the brand management group of each country manages and co-ordinates all aspects of the brand. The

group consists of a limited number of qualified managers who have the breadth of experience and expertise to facilitate the development of the corporate brand AL across all the communication disciplines including advertising, public relations, promotion and internal communications. All our interviewees believed they did not have necessary internal expertise and resources.

Malgorzata Chmielewska is the head of a brand team within the marketing department, which is responsible for the management of the ALFA LAVAL brand in Poland (see appendix 1). According to her, the Polish market is highly fragmented in terms of regional markets and competition (Chmielewska, Marketing Manager, AL Poland). The brand manager needs to have a thorough understanding of the market sensitivities and business drivers and should always be looking for new market opportunities. Her responsibilities include product, communication, price and image positioning. The brand team is also responsible for the identification of new opportunities and initiation, development and deployment of new products within existing product families as well as achieving sales, contribution and value targets for the branded products.

Each regional AL office has to ensure harmonisation of market policies and drives the company inception, ensure consistency of regional brand communications, ensure marketing activities that remain within local laws and AL best practices, to implement marketing strategies locally and to provide feedback to the head office in Sweden.

The very first philosophy that AL wants to incorporate into the company's brand strategy is Total Brand Management (Petersen, Managing Director, Alfa Laval A/S, Denmark). The company's goal is to design and develop a system that would support the entire brand AL - from product design and development, through planning, forecasting and inventory management and distribution methods. AL does not want to be just another supplier of industrial products. The company's ambition is to have the first truly integrated Total Brand Management System. To achieve this distinct distribution channels and their unique planning, as well as, forecasting and inventory management requirements are needed to be preserved. However, AL also needs to take back seats to the need for consolidated brand management. The company wants the channels to be driven by the brand from the top of the brand pyramid, rather than having the channels drive the brand. With the direction of the brand coming from the top of the brand's pyramid there will be greater continuity of the brand's image and

consistency of its message purchasing power and reduce overstock exposure, as our interviewees imply.

According to Chmielewska en efficiently run brand must have an organisation that is fully integrated within a single collaborative system across all management departments, all distribution channels and all third-party agents, vendors and factories. AL's brand managers are still accountable for the brand even if they do not give any input in the areas that cause performance problems to the brand. The interesting finding concerning strategic decision-making is that the part of the strategic decision, which they take alone, is statistically more important than the part where they have no involvement.

At AL the marketing function is responsible for key general management decision such as long-term business strategy, pricing, product development direction, and in some cases, profit and loss responsibility. They must decide how to increase market share, which markets and demographic groups to target, and what types of advertising and special promotions to use. Brand managers figure out also how to exploit brand strategy, or in some cases, how to change it. Advertising is usually produced by outside agencies, although brand insiders determine the emphasis and target of the advertising.

According to Petersen, AL's local brand management system is a menace; every local office wants to make his own mark and knowing the local situation build the brand based on its own strategy. There are today many unconnected local brand strategies without any direction that communicate the brand inconsistently. In the old days it was up to the worldwide business manager to make the case that a new product was right for local markets. Now it is up to a local manager to demonstrate that it is not going to fly locally. "Our expectation is that every new product will find a global market and that the company implements the centralised system of managing the brand."

Unilever and Mars are organisations that try to overcome differences in functional objectives and orientations by communicating the importance of teamwork. They reward the meeting of organisational goals such as customer satisfaction instead of merely functional goals such as low-cost production. Mars and Unilever are also an interesting example of cross-functional teamwork in the use of multinational teams to work with organisational customer. Both companies send multinational teams from marketing, manufacturing and R&D to visit

specific customers regularly. The objective is to promote teamwork among employees from different functional areas, to develop a customer focus in all functional areas, to collect useful marketing information about customers, and to improve customer relationships.

Unilever fosters close coordination among brand managers, salespeople and sales managers, and marketing researchers to execute tailored marketing programs for individual retail stores. Working as a team they uncover information about the customers of each store. The sales and brand managers then work together to execute specific marketing programs for each store to improve sales and profits.

At Mars, managers have regular "zone meetings". For example zone 4 from one region meet zone 4 from another region to change information and get along with common strategies. During such meetings, brand managers but also sales managers, product development managers or key account managers are participating.

6.1.3 Sharing Insights and Best Practices

The most basic element of global brand leadership is a company wide communication system. Managers in different countries need to get information collected elsewhere or knowledge about competitors, customers, and policies – things that can vary from one market to another. Managers in different countries need communication channels from formal meetings, informal encounters, intranets, field visits and sharing research result. The aim is to find out what has and has not worked elsewhere (Aaker D. A, Joachimsthaler E., 2000).

According to our interviewed brand managers at AL, the biggest problem that weakens the well-working communicating system is lack of time. Brand managers do not always have enough time to share information and experiences with each other.

AL has developed cross-regional teams to ensure that the organisation's brand management objectives are met. The company is also planning to organise cross-functional teams by creating business teams composed not only of brand managers, but also managers from sales, production, R&D, and finance. In that way miscommunication can be minimised and co-operation maximised.

Bertilson (Alfa Laval Thermal AB) argues, that success of the ALFA LAVAL brand in one country should be benchmarked and shared with other regional offices. This type of co-

operation, especially when it comes to new product introduction and marketing communication for AL, becomes a critical success factor but is unfortunately very rare in the company.

At AL, the brand managers often interact with others in making decisions. They argued that they might interact with various internal and some external specialists in the decision-making process such as advertising agencies, marketing research agencies, legal advisers or other consultants.

Chmielewska (AL, Poland) argued that the cross-country communication system created at AL is incomplete despite of yearly brand managers' meetings and informal contacts. The culture at the company support more the competition among local brand managers than an open communication with shared insights and best practices. The best activity that increases the knowledge about different branding practice approaches, says Chmielewska, are hands-on visits. "You can discover and learn effectively different marketing efforts and try to imply them locally. The process of synergy creation is much more successful when functional level of the organisation meets during hands-on visits because of the informality and the possibility to discuss problems more practically."

Our interviewees did not directly mention the factors that make it harder to achieve a good system of sharing insights and best practices within Mars and Unilever. We can imagine that it has to be hard to create such a system. Things we paid attention to during the interviews that can jeopardise the communication between brand managers are:

- Each brand manager is working hard to increase market share of his brand/brands and has profit-loss responsibility. Brand managers then often need to "fight" for extra money, approval of suggested project and new ideas. In order to achieve their goals, brand managers keep the information for them and see each other often as "competitors". Success of the same brand in other countries can be benchmarked and shared with regional offices. This, of course, has the built-in disadvantage of having competition pre-empting you by sharing the success of your brand to their other regional offices so speed in new product introduction and marketing communications for international brands becomes a critical success factor.
- Lack of time can lead to a low degree of motivation to share the information with others.

- It can be very easy and encouraging explaining why some efforts have been successful, but it is not very popular to share your failures with others or explain why some practices were ineffective.

Both Unilever and Mars have information databases and Intranet, which are the easiest accessibly and contain most relevant information for every manager at the company. Mars has as well a RECO-system, a database system for outlaying new ideas, project schemes and descriptions, which is available for other brand managers and marketing directors and marketing departments.

Other activities which might simplify and stimulate the sharing of best practices across countries at Unilever and Mars are regular meetings three times a year, where both marketing directors and brand managers from around the world meet. They discuss global programmes that should be adapted also in the local markets, present different case studies and share experiences.

6.1.4 System to Create Brand-Building Brilliance

Balancing the need to leverage global strengths with the need to recognize local differences is a very important issue and sometimes a big challenge for many global companies (Aaker D. A., Joachimsthaler E., 2000).

Brand strategies should be building on adopt and adapt and they should include:
- integration for linking advertising, marketing and communication
- global approach with local application

At the time of this research, AL does not have any successful system to create brand building brilliance. The company plans to invest in cross-country brand building programs. Such activities as centres of excellence (permanently staffed globally units that address specific key areas where synergies can be developed) are unknown for AL's brand managers and the company does not have any plans to start such activities. The important issue for most global companies is to balance the need to leverage global strengths with the need to recognise local differences.

According to our interviewees representing the B2C environment, the global brand is here to stay, but at Unilever they think that there is need for a change in the purpose of the global brand. The global brand should set the form and tone for the brand via communication of the brand values. Local brand management should be about leveraging the local context of each market to differentiate the brand. Local marketers have access to brand context that is not even on the radar of the central brand team. Leveraging such context can only enrich the brand further. Wange (Mars) means that the development of a true partnership between central brand teams and local brand management is the key to success.

Nestlé gives a good deal of autonomy to local marketing managers to ensure that its products maintain their appeal where they interface with consumers. The more strategically important brands require greater involvement at central level.

6.2 Problems and Future of the Brand Manager

The brand manager's main problems that were listed in the literature (Lysonski S. J., Woodside A. G., 1985, 1990) and presented in chapter 3 are here being analysed from a B2B point of view, with an illustration of how the situation looks like for brand managers within B2C companies.

1. *The obvious lack of connection between their influences/power and their obligations.* Product managers at AL often lack the authority to implement brand strategies they are responsible to create. Many different actors have to be involved and it causes long decision-making process, which weakens often brand building process. Product managers have to defend and support the brands in a dynamic environment while they do not have the authority to influence the formation of brand objectives and programmes as much as they desire.

   They are not given the responsibility of taking many important decisions concerning issues such as environmental analysis, marketing research and product promotion for their brands. The changing business environment of the B2B industry, as a result of mergers and acquisitions, will force also AL to adopt marketing-oriented practices, relaying less on pure personal selling and/or price competition. Despite the fact that AL product managers

believe they have varying status in their companies, they all reported to have more involvement and responsibility at the tactical level. This was expected, as they are middle management and strategic decisions are mainly controlled and must be approved by the top management.

Among the interviewed brand managers representing the B2C environment the view was not exactly the same as within AL. Here, they felt very much involved in both work tasks and decision-making.

2. *Time and work burden*

   As a product manager, Fredrik Bertilsson has many times experienced the feeling of being overwhelmed with work; the huge responsibility for far too many products combined with the short time limit creates a dangerous stress factor (Bertilsson, Alfa Laval Thermal AB).

   Different tasks and assignments in product managers' job make the concentration and focus only on most important issues impossible. Product managers at AL have to achieve too many short-term goals and the long-term goals get less priority.

   The brand managers in B2C companies can also feel that the time is a scarce resource and if you do not prioritise or set strict limits the feeling of being overwhelmed is very high.

3. *Relationship with the CEO and other directors*

   This certain point of view does Fredrik Bertilsson disagree with, he has daily contact with his supervisors and he stresses that there is a strong mutual confidence. However, the drawback is the modest understanding of brand management as such but also the role and importance of brand managers in the organisation. It would be positive to have people around to discuss with and to use as a sounding board (Bertilsson, Alfa Laval Thermal AB). Even though Fredrik Bertilsson may be one of the lucky ones who do not experience lack of trust from the top, this can certainly be a big problem. It might be especially common in organisations where product managers are thought of as "not necessary people whose only job is to cost the company too much money". To achieve co-ordination and vision for the company's brand, it is important to recognise that, the decision to give full authority to brand managers to decide on their own would be chaotic, and could lead to excessive corporate effort and cost if each product is set up as a self-sufficient autonomous unit. Based on that fact, companies today try to evolve the brand management

system and introduce positions within the marketing department, such as category managers (Hankinson P., Hankinson G., 1999).

For brand managers working at B2C companies, regular meetings are a common or even compulsory event even if it still can be improved.

4. *No clear job description*

No one can really say which areas of responsibility that is included in the product manager's job description and therefore it is easy (for the product manager) to take on too much work and projects (Bertilsson, Alfa Laval Thermal AB). There is mostly an enormous amount of stress going on at the workplace. Once again, the time is a constant reminder of how much work that has to be done; there are always deadlines and goals to be achieved within a certain time frame.

At AL, there is a different understanding of the brand in different parts of the organisation. This may mean that differing people in the company have different expectations of the brand, attempt to develop the brand in different ways, communicate the brand inconsistently or in worse cases, are unable to define the brand. Within AL, the problem visibly manifests itself by successive product managers feeling the need to change the brand direction and messages. The overall result of this mismanagement of the brand is that customers become confused about what the brand stands for and are more open to the promises of competing brands.

This is also one aspect where brand managers at B2B and B2C companies share experiences. Our interviewees at Mars, Unilever and Nestlé feel that having no clear job description leads to more involvement "everywhere" which in turn leads to a high stress level and work burden.

5. *Lack of support and training*

All employees at AL are treated well and equally regardless of work position, gender or race to name a few. Although the CEO and the company's top management make all decisions, the brand managers are involved and participate in the decision-making processes (Petersen, Alfa Laval A/S, Denmark). Product managers at AL feel they get

support and help from the company's managers but they wish to have more support from their colleagues and other departments at AL.

The sense of support and training among our brand managers at B2C companies is quite good but can definitely be better.

6.3 An Update – Brand Management at AL nowadays…

Our first interview at AL was with Fredrik Bertilsson in May 2000 and this is a short summary of what has happened since then.

In August 2000, AL was acquired by Industri Kapital (for more information about this company see appendix 1b) from Tetra Laval, in a deal that was the largest Scandinavian buy-out transaction to date. Due to the acquisition AL faced a huge re-organisation as a result of an ongoing project. The main purpose is to create the picture of *ONE* AL so that the corporate identity will be clear to everyone, to employees as well as to the customers.

After the re-organisation the idea was that AL should be more customer-focused and there would be only two divisions – *process* and *equipment* – instead of three. From that point on everything about the organisation would reflect the dedication to provide the customers what they require.

Since it is now 2004 and the business environments change rapidly we did one more interview at AL to get an updated picture of the brand management at the company[2].

Our interviewee was Peter Torstensson, Vice President Communication at AL, the company's *only brand manager* with the responsibility of building locally and globally the corporate brand of AL. According to him, brand management at AL is seen as an operating system, as a way to build equity in AL brand.

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[2] However, all analysis is based on the prior interview done at AL in 2000 since that was when the research material was gathered and all the other interviews were conducted.

Between August 2000 and May 2002 AL was owned to two thirds by Industri Kapital and to one third by Tetra Laval. This however changed in May 2002, when AL was quoted which lead to that Industri Kapital now owns less than 18% and Tetra Laval about 17% while the rest is "floating".

In the past, marketing and sales at AL was decentralised and differed for each market or even division. Today the company has a common approach, a Brand Driver - the unique, central concept that powers and unites all aspects of the new visual identity and serves as a building block for the entire branding program. "The Security of Change" is the chosen concept, which Landor Associates, the global branding consultancy, has developed together with the company. AL's Brand Driver reflects a shift away from being a process-driven organisation in a move towards more customer-focused operations. As well as developing a brand that reflects the changing demands of the engineering sector in the 21st century, the repositioning builds on the company's heritage as a world-class engineering company.

The new identity reflects an organisation, which has refocused its business operations and now wants to present a strong, confident but flexible operation to customers and employees. The new word mark suggests an adaptable, forward-thinking and evolving world-class organisation in a constantly changing world, while reflecting a heritage of engineering supremacy (Torstenson, AL).

"We have re-engineered the way in which our business is organised in response to changing market conditions," says Torstensson. "Until now, we have effectively operated as three relatively self-contained divisions which - from both internal and external perspectives - have appeared to function as separate companies. This repositioning will demonstrate to our customers that we are a truly integrated organisation able to provide total business solutions across a wide range of market sectors, rather than a collection of specialist players," continues Torstensson.

AL finds its customers more concerned about their own business challenges than those of AL, and that is why a fundamental shift in how AL does business - the new focus on customers' needs has been very important for the company. AL believes that the identity will serve as a visual rallying cry for that shift.

The Brand Driver will be applied across all points of touch for AL including signage, corporate literature, stationery, product packaging, digital media streams and exhibitions. All activities at the company will be integrated around a common vision for the brand in order to tighten the integration and do it in a way that benefits the customers. That is what brand management at AL is about – managing the brand in ways that benefit customers and stakeholders.

For Torstensson, a brand manager is someone who takes care of immaterial parts of the brand and it cannot be used interchangeably with product manager. The role of brand manager at AL is to communicate the company's vision from AL to the "outside world". "A product manager is **not** the same as a brand manager! A product manager focuses on the product itself (B2C) while the brand manager takes care of the more immaterial parts that builds the brand=company (B2B, corporate brand manager)" says Torstensson.

A corporate brand ALFA LAVAL makes the company and its espoused values easily identifiable and connotes a level of quality and consistency of performance in the minds of its target audiences (Torstensson, AL). Consequently corporate brands provide an umbrella of trust for the company in extending its product or service line and even in diversifying into dissimilar products and services. Maintaining the substance, credibility and values of a corporate brand is a complicated task and unremitting task. It requires continues reinvestment and the on-going support from senior management. Moreover a corporate brand needs total organizational commitment assurance: congruent over space and times total corporate communication (Balmer J., 2001). AL is a much diversified company operating within 25 different industries and in 95 different countries. It is a complex network and therefore difficult to integrate the business around a common vision for the brand. Therefore, it is important to develop a common worldwide process to manage the brand and that certainly feeds globalization. Peter Torstensson strongly believes there is leverage in globalization and brand management is an effective way to get at it. All that, together with getting full support and understanding from the management, as well as having enough financial resources, is the biggest challenge and problem for brand manager at AL.

Another important task is to differentiate AL brand from the company's competitors in a ways that are meaningful and relevant to AL's customers and in ways that build owner loyalty. Torstensson's objective is to use brand management to build owner loyalty in a way that

capitalizes on the company's heritage, global strength and the investments AL is making in the business.

Torstensson does not think there are any risks as AL is moving to a brand management-based organization. He thinks it is an opportunity and the size of the opportunity depends on how well the company adapts the new approach. In fact, what brand management does is increase the clarity of the vision; there is no disadvantage in clarity, says Torstensson.
The organizational structure of brand management at AL becomes centralized after the acquisition that leads to some changes even when it comes to assigning responsibility for the corporate brand ALFA LAVAL.

The senior executive, the company's CEO serves as the brand's primary advocate and nurturer. At AL only the CEO can set the agenda of the corporate brand and his responsibilities are supported trough Vice President Communication, Peter Torstensson directly reporting to the CEO.

Torstensson works as a Chief Brand Officer and he has a true line authority that can make it possible to achieve the consistency around the globe. Working in close connection with the CEO, Peter Torstensson develops the broad strategic framework within which he guides the key message and corporate tone to be reinforced in customer marketing, internal communications, investor relations, public affairs and all other sources of communications. His works and plans are reviewed regularly.

But AL makes also a case for everyone being the corporate brand manager, which is certainly the true in terms of the face of the corporate brand being the employees. Everybody within the organisation (no matter where they are located) act as a brand ambassador.

7 CONCLUSION

To sum up what has been analysed in the thesis a short conclusion will be given below and the major results will be presented.

7.1 Introduction

With this thesis we wanted to provide insights in industrial brand management and particularly industrial brand managers' role, their responsibilities and problems. Our thesis suggests that brand management plays more important role in B2B markets that have generally been recognized and that it is the matter not only for industrial brand managers but also for the whole organisation.

7.2 Criticism

Different marketing models and theories are still quite one-sided focused on B2C, and to build a tool to research and analyse B2B brand management, the consumer theories require a complement of limited available theories about B2B brand management. The majority of the books and articles about brand management that we have read are based on theories created solely with B2C in mind, which was foremost why we found it so interesting to take a deeper look into the brand managers' situation and role within the B2B environment.

The marketing literature and education do not always agree with the reality. This can be one of the reasons that industrial companies often used brands in a primitive, ineffective way. The available models and theories adapted for B2C are not often applicable for companies branding technically advanced products and systems with a high service contents.

As mentioned earlier, the existing literature on the subject almost never make any difference between brand- and product managers or even between the different types of brand managers we have discussed in this thesis (corporate- versus product brand mangers).

7.3 Comparison – B2B vs. B2C

<u>7.3.1 The Markets</u>

The reason for the importance of creating successful global brands on industrial markets is that a well-reputed industrial brand creates trust and confidence, factors that are often crucial in this environment. B2B brand management is far more complex than brand management on consumer markets (see figure 7.1).

Figure 7.1 (created by the authors of this thesis and based on Ford, D. 1997)

B2C   B2B

As we move to the right: ⟶
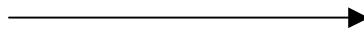
- The likelihood increase that the customer is a business
- The price per unit increases
- Longer time between purchases
- Longer time from first contact to sales
- Fewer potential buyers
- More product customisation
- The offering becomes increasingly negotiable
- Longer relations between buyer and seller
- The buyer's risk increases
- The market becomes more international
- National differences become less important
- More people participate in buying decisions
- Professional purchasing departments get involved
- Top management participates
- Customer-decisions are less rational, more intuitive

Customer makes choices under uncertainty, though there is impossible to evaluate all relevant aspects of supplier's offerings. Consumers, on the other hand, make more rational decisions

that businesses can (Allais' paradox)[3] (Allais, M 1953; Kreps, D.M, 1988). This requires a different roll for industrial brand management and industrial brand managers.

The industrial brand has another task for professional buyers coming from different companies than for customers from household (Ford, D. 1997). For a customer to B2C-companies, the brand is the product (Hague, P. 2000). The fact that the companies behind those products are Mars, Unilever or Nestlé knows few buyers and this is not important for their purchase decision. The brand is working as a quick signal that simplifies the choice between trivial necessities (Sandstrøm, 2003). For the buyer of the industrial products, the brand is the company (Hague, P. 2000).

The fact that products like plate heat exchangers have their own product name as well as model indication is less important. The corporate brand ALFA LAVAL gives a long-term promise of competency, quality and good service before, during and after the purchase is done, as well as the assurance that the company stands behind its products even in the future. A wrong choice can jeopardize not only the buyers' career but also the whole company's existence. (Torstensson, AL)

7.3.2 Brand Management and Brand Managers

The aim for every brand-oriented organisation is to make brand to be the organisation's most valuable asset. In order to achieve that it requires giving priority to brand as a communication vehicle. The important aspect in this process is to put the brand responsibility in hands of managers of highest level of organisation, instead of giving it to brand managers on the middle level of organisation. (Aaker, 1991) At the time of the research (May, 2000), AL seemed not to understand fully the importance and value of properly managed corporate brand. The company does have neither a common brand strategy nor professional brand management plans, which would build and developed brand ALFA LAVAL across countries. The "new brand management" approach, which main purpose is to create the picture of *ONE ALFA LAVAL* and to manage the corporate brand, became the reality after the company's acquisition, led by Peter Torstensson, as corporate global communicator.

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[3] In 1988 Allais was awarded the Nobel Prize for Economics "for his pioneering contributions to the theory of markets and efficient utilization of resources" : "When the economic risks are high, as in investment decisions, a person's choice among different options will often be irrational and unpredictable."

There are many different decisions that can affect the existence and future of brands, e.g. the kind of person to be recruited as a brand manager. Brand manager is a post that requires a person who understands that his/her job is not to reinvent the brand's values but stick to creating a contemporary interpretation of existing brand values. It is not a job that calls for flamboyance or dramatic decision-making but it calls for insights and steadiness. In the course of doing his job well, the brand manager has to resist pressure from the sales force and even senior management for lower prices, extravagant sales, promotion schemes and stick to what is good for the brand. The long-term vision and patience to wait for the rewards is critical to this job (Kartikeva K, 2001).

It seems that AL did not recognize the importance of these traits and selected brand managers without much thought. Very often brand managers were taken from the sales department, or engineering. The reasoning was that the candidate had first hand market experience or genuine product knowledge (Petersen, A/S Denmark). The disadvantage of this approach was that a sales person might attitudinally be inclined to work towards a higher sales growth as the triggers that motivated him in the past may continue to motivate him at the cost of the brand. The results were often seen in a spurt in sales and a dip in brand equity. When it comes to the choice of an engineer as a brand manager, the results were often seen in product quality management and product development, which could be long away from market demands and customer relationship management (Petersen A/S Denmark).

7.3.3 Product Brand Managers vs. Corporate Brand Managers
In recent years, corporate brand management has attracted a lot of interest among managers, consultants and academics. In the literature there seems to be various opinions of how corporate brand management differs from product brand management and several aspects are highlighted e.g. the focus and scope of the brand management efforts, strategic importance, managerial responsibility, stakeholders and the temporal dimension (Aaker D. & Joachimsthaller, E., 2000; Knox et al., 2001; King S., 2001; Hatch & Schultz, 2003; Balmer J., 2001; de Chernatony L., & Harris F., 2000; Balmer and Soenen, 1999; Sandström L., 2003).

In his "Working Paper: The Three Virtues and Seven Deadly Sins of Corporate Branding", Balmer (2001) summarises the differences between product and corporate brands and his comparison (table 7.1) is based on the work of King (1999), de Chernatony (1999) and Olins

(2000) among others.

A strong corporate brand attracts and inspires employees and other stakeholders and provides a long-term strategic rather than short-term, tactical focus for brand development (Balmer, 2001a).

Table 7.1 "Products vs. Corporate Brands" (adapted from Balmer, 2001a)

	PRODUCT BRANDS	*CORPORATE BRANDS*
MANAGEMENT RESPONSIBILITY	Brand manager/middle Management, within marketing	**Chief executive/senior management**
FUNCTIONAL RESPONSIBILITY	Marketing	**Most all departments**
GENERAL RESPONSIBILITY	Marketing personnel	**All personnel**
DISCIPLINARY ROOTS	Marketing	**Multidisciplinary**
BRAND GESTATION	Short	**Medium to long**
STAKEHOLDER FOCUS	Consumers	**Multiple stakeholders**
VALUES	*Contrived* – the product of the not inconsiderable skills of invention held by marketing and advertising creatives	***Real* – grounded in the values and affinities of company founders, owners, management and personnel**
COMMUNICATIONS CHANNELS	The marketing communications mix	**Total corporate communications.** *Primary*: **Performance of Product & Services; Organisational Policies; Behaviour of CEO and Senior Management; Experience of Personnel & discourses by personnel.** *Secondary*: **Marketing & other forms of controlled communications.** *Tertiary*: **Word of Mouth.**
DIMENSIONS REQUIRING ALIGNMENT	**Brand values (convenant)** **Product performance**	**Brand values (convenant)** **Identity (corporate attributes/sub cultures)** **Corporate Strategy** **Vision (as held by the CEO and senior management)**

	• Communication • Experience/image and reputation • Consumer commitment • Environment (political, economic, social, techno-logical)	• Communication • Experience/image and reputation • Stakeholders commitment (internal and external constituencies) • Environment (political, economic, social, techno-logical)

The key difference is that corporate brand values tend to be grounded in the values and affinities of funders of the company, the company owners, management and employees. In contrast, product brand values tend to be contrived and are the product of marketing and advertising agencies (Balmer, J. Gray, E. 2002).

The role of employees is another difference between product and corporate brands. Personnel have a crucially important role in transmitting the brand's values and bring them to the heart of the corporate branding process as Balmer and Gray (2002) argue.

A third difference is that as an important element of a company strategy, the corporate brand should clearly be a senior management concern. In opposite, product brand management is principally a concern for middle management within the marketing function.

This thesis' findings support some of the points raised by Balmer but conflicts with others. No question that Balmer does highlight many interesting and exciting points concerning differences and similarities between product brand managers and corporate brand managers but we feel that his table completely describes the reality as we know it. We support the point raised by Balmer & Gray (2002) that employees are crucial to the success and maintenance of corporate brands, but the argument that functional- and general responsibility for corporate brands will cover "all departments" and "all personnel", is not possible. The same goes for communications channels where Balmer means that "total corporate communications" builds corporate brands which we think is very difficult, if not impossible to achieve, especially in global organisations.

Despite some setbacks in Balmers' discussion we feel that his table gives us a solid ground to start from when taking the next step into the reality and when trying to draw conclusions.

Since Balmers' table brings light to the differences and similarities between product brands and corporate brands, which to a high extent determine the brand managers' roles and responsibilities, we have chosen to use it in our conclusions and discussions.

In table 7.2 below, we summarise the most relevant findings that we have discovered during our research process. We are at the same time also broadening Balmer's views with our own case findings.

Table 7.2 Brand managers at B2C vs. brand managers at AL

	BRAND MANAGER AT B2C	*BRAND MANAGER AT ALFA LAVAL*
TYPE OF BRAND MANAGER	Product brand manager	**Corporate brand manager**
BRAND ORIENTATION	Customer oriented	**Still very product oriented**
MANAGEMENT RESPONSIBILITY	Has strategic and tactical responsibility for the brand; responsible for the brand's identity, position, maintaining that identity by securing needed investments, making sure that all media efforts are consistent with the identity.	**Corporate brand communicator; lacks consumer marketing skills; lacks experience of dealing with advertising agencies, PR companies an d other marketing services providers; lack of analytical skills and creativity, due to the limited experience of brand management.**
MANAGEMENT ROLES	Creates strategies for a particular brand or portfolio of brands.	**Builds relation between the company and the customer that strengthen AL's identity and communicate AL's brand core value**
FUNCTIONAL RESPONSIBILITY	Marketing	**Marketing**
GENERAL RESPONSIBILITY	Marketing personnel	**Sales and marketing personnel**
DISCIPLINARY ROOTS	Marketing	**Marketing towards multidisciplinary**
BRAND GESTATION	Short	**Medium to long**
STAKEHOLDER FOCUS	Consumers	**Multiple stakeholders**
VALUES	*Contrived* – the product of the not inconsiderable skills of invention held by marketing and advertising creatives	***Real* – grounded in the values and affinities of company founders, owners, management and personnel**

COMMUNICATIONS CHANNELS	The marketing communications mix	**Towards total corporate communications.** *Primary*: **Performance of Product & Services; Organisational Policies; Behaviour of CEO and Senior Management; Experience of Personnel; Word of Mouth.** *Secondary*: **Marketing & other forms of controlled communications.**
DIMENSIONS REQUIRING ALIGNMENT	• Brand values (convenant) • Product performance • Communication • Experience/image and reputation • Consumer commitment • Environment (political, economic, social, technological)	• **Brand values (convenant)** • **Identity (corporate attributes/sub cultures)** • **Corporate Strategy** • **Vision (as held by the CEO and senior manage-ment)** • **Communication** • **Experience/image and reputation** • **Stakeholders commitment (internal and external constituencies)** • **Environment (political, economic, social, technological)**
INTENSE EXTERNAL PRESSURE	Makes it difficult to concentrate on developing the brand: dramatic technological changes; economic upheaval; potential take-over threats; new regulations from governments and supra-governments agencies (health and safety acts); consumer protests; powerful distribution channels, more internationally scoped market, greater number of brands and lower brand loyalties, decreasing effectiveness of traditional means of communication.	**Makes it difficult to concentrate on developing the brand: dramatic technological changes; economic upheaval; potential take-over threats; new regulations from governments and supra-governments agencies (health and safety acts); consumer protests.**
INTENSE INTERNAL PRESSURE	Downsizing, no time for total quality management, low status for marketing functions, unclear	**Downsizing, no time for total quality management, low status for marketing**

	job description, lack of time, demanding procedures.	**functions, unclear job description, lack of time, demanding procedures, unclear corporate.**
AT THE TOP OF THE BRAND MANAGER'S AGENDA:	• **Struggle for common resources/competition (cannibalisation)** • **To get top management attention and to move branding a bit higher in the organization** • **Integration of marketing with other functions and other core business processes** • **Striking a healthy balance between meeting short-term business objectives and nurturing the growth of the brand assets** • **Moving from short-term brand management to the longer view of brand management – brand leadership** • **Getting the authority and skills to articulate the strategic, cross-functional, long-term perspective that total brand management requires**	• **Struggle for necessary internal expertise and resources** • **To get top management attention and to move branding a bit higher in the organization** • **Integration of marketing with other functions and other core business processes** • **Hyping the future in order to stay competitive and keep market share** • **Showing differences between advertising (as "getting attention") and branding (as "promise and delivery")** • **Getting the authority and skills to articulate the strategic, cross-functional, long-term perspective that total brand management requires**

In an article in Berlingske Tiderne, (10/09/03) professor Lund argues that corporate brand management should be a long-term process and a management responsibility and not a communication strategy carried by advertising agencies, which is often the case.

As little as a quarter of a century ago a brand manager, while not totally in control of his/her brand, could anticipate a fairly reasonable degree of autonomy in the delivery of agreed goals, amongst which would have been some idea of growing the brand as a equity. Today, with a dramatically shortened roll cal of brand names in a corporation and with each brand being that much bigger and more important to the business, the likelihood is that the so-called brand manager is one of a large and fluid group of people handling the brand. For he marketing

fraternity, the truth is that most brands are managed by a collective of management, a network that includes the functional marketing people, but very often directed from the board room, if not the CEO's office.

The role and responsibility of industrial brand managers are quite different from product brand managers within B2C (see table 7.2). Although the job title of the product manager had recently been changed to "brand manager" (Tollin, 2002), it was obvious that brand management by him as well as by others within and outside the marketing department was not perceived as strategic management process, but as a collection of decisions and activities concerned with advertising, sales promotion and sponsoring, first and foremost.

Brand managers at AL didn't fully realize the differences between product brand managers and corporate brand managers. The focus of their activities captured products and technical services, business-to-business promotion and to pleased customers and not the implementation of the common, clear for everyone, corporate identity.

AL's all employees and not only brand managers should play a crucial role in transmitting the corporate brand's values and as such bring them to the heart of the corporate branding process. Especially those employees who provide the interface between the internal and external environments.

AL's brand managers' mission should not be to brand the product, but to brand the "bigger idea". Creating a strong single corporate image that the customer can identify with will help a company stand out. For AL's brand managers the corporate branding is king because positioning for them is not a shelf space issue. Instead of developing sub brands to extend the product line with more choices to gain more shelf space, AL's brand managers' responsibility is to create less clutter and simplify and strengthen the company's corporate brand image. Unfortunately, AL's brand managers have neither the authority nor the skills to articulate the strategic, cross-functional, long-term perspective than total brand management requires (Edelman, D & Silverstein M. 1993).

As we have tried to show, a brand manager's role greatly depends on which kind of brand manager he/she is; it is simply not possible to compare apples with pears!

But despite of all those differences, B2B and B2C brand managers has some things in common.

Our interviewees, that represent two different markets, have certainly many differences but also a lot in common. Despite the characteristics of B2B market our research led to the conclusion that brand management is as much important in B2B market as in B2C market.

In the high-tech economy, creating a strong corporate brand has become extremely important as companies often position themselves as much for the *stock market* as the *market space*. AL seeks to build awareness and loyalty not only with business-to-business customers but also with Wall Street, venture capitalists, potential new hires, the workforce, strategic partners, supply chain members and the media. In the age of converging technologies and merger mania, sometimes that company itself is the product, hoping to be acquired at a high valuation. Whether or not merging is on the horizon, AL should concentrate on building a corporate dominant brand consistently over time.

The brand ALFA LAVAL needs to become a carefully designed business system cutting across functions. Those functions range from the conception of the product itself to the final service relationship with the customer. What this means is that marketing must become a genuinely integrated function, working right across the core of the organisation. The management trends of total quality management, process reengineering and concurrent reengineering have already reached the company and it remains to realize that the whole corporation is the brand ALFA LAVAL. The company especially needs to balance in a better way product-centric focus and a promise-centric (brand-centric) focus.

AL should build its brand using a corporate vision and a "way-of-doing-business" approach. Customers usually identifies as much if not more with companies' attitude and promise to deliver that attitude than they do with specific products (Mudambi, S. 2003). In many cases a successful brand's value of promise can buy the company time in the technological game of catch-up or when recovering from quality problems.

Certainly, the brand managers' situation will have to change further on due to the fast changing business environment they are dealing with. New needs, desires and preferences have to be met, new technologies will be discovered and the awareness for the brand

management system will increase among entrepreneurs. The outcome might be that brand managers will be considered to be as necessary in B2B companies as they are in consumer goods companies. To tap the potential of B2B brands, brand managers must learn to understand and to effectively communicate the value of their brands (Mudambi, S (2002), *Branding importance in business-to-business markets Three buyer clusters,* Industrial Marketing Management, Vol.3, pp.525-533).

7.4 Key Findings/Contributions

In an aim to increase the understanding and to tie back to our purpose we have listed what we consider to be the ten most important contributions with this thesis:

1) By filling the existing gap in the literature, which solely concentrates on B2C, and discuss the B2B brand manager's role.

2) By studying both the B2C and B2B sector we have been able to compare and draw conclusions between both segments and show the differences but also the similarities.

3) By focusing on AL who has come a long way in the brand management thinking we hope and believe that we have managed to inspire AL to strive further but also to attract interest on the brand managers' roles in this under researched business segment so that other companies understand the importance and start to focus on this subject.

4) Our aim was to prove how relevant and crucial subject this really is. By looking at how AL has reacted and responded we mean that we have at least started a new way of thinking and an acceptance for the subject at hand.

5) When studying brand managers it is crucial to understand which factors that determine brand managers' roles and responsibilities. The type of brand, product- or corporate brand, controls the shape of the company's brand management processes and comparisons between product brand managers and corporate brand managers can therefore lead to both wrong and too quick assumptions in the same way as the literature often does.

6) The B2B has general failed to make products and corporate brands benefit each other.

7) In Berlingske Tiderne, (10/12/03) professor Jean-Noël Kapferer states that it does not make sense to question the value of corporate brand management - it is a part of the market evolution and highly valuable when used in the right way. However, AL has to be cautious not to loose product strength in the company's attempt to brand the corporation.

8) At the same time, to involve all company's personnel in building corporate brand, B2B companies should promote the role of marketing outside traditional sales and marketing areas. Because marketing has never been a major function at AL, it will be difficult to develop the corporate brand unless managers elsewhere in the business appreciates the market pressures and business imperative for developing the ALFA LAVAL brand. Internal marketing must play a significant role in a shift from a "product" (and sell) culture to a more market-focused approach.

9) Historically, a company's marketing department could create the brand strategy in isolation from other functions. In today's environment, solely marketers can no longer manage brands and be a part of brand management because responsibility for a brand's touch points is divided among multiple functions of the organisation. We argue that more integrated, multi-functional approach to brand management is required.

10) Adamson (2002) stressed that corporate brand management is about the customers' perception of both product quality and the company behind the product. Our interviews seem to share this view. That is why we argue that industrial brand managers are both product managers and corporate communicators.

7.5 Further research

While doing our research we discovered that there is a gap in the knowledge about industrial brand management, with a need for a much deeper understanding of who the industrial brand manager is, what his/hers role and responsibilities in B2B markets are.

In the research we have focused on industrial brand managers at AL and sought to draw attention to the potential powerful role of brand management in B2B markets. It would be very interesting to follow the development of the brand management process in our case company, AL, but also to see how it progresses in others B2B companies.

Another interesting aspect that comes to our mind is to examine brand management within the non-profit sector and the need for brand managers there, especially as the concept of "non-profit brand management" is relatively new and very under-developed and under-researched (Hyojin, K, 2002). The position and role of non-profit sector in providing essential social services is becoming very important, especially as it fills the gap left by public (government)

and private (for-profit) sectors (Frumkin, P & Kim, M. T., 2001). The size and scope of the non-profit sector have increased rapidly over the past 60 years, especially in the USA, but also in Europe, which brought about growing competition for the limited number of financial and human resources (Boris E. T., 1999). Under these circumstances, brand management presents new opportunities for non-profit organisations seeking sustained competitive advantages that are less sensitive to a competitor's challenge.

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Contact person: **Fredrik Bertilsson**, Product Manager

1878 Alfa Laval (hereafter mentioned as AL) was founded.
1931 the production of Plate Heat Exchangers (hereafter mentioned as PHE) was introduced.
1950s (in the beginning) Thermal was an own part of the organisation. Only provisions as milk were produced.
1950s (at the end) industry applications. Marine PHEs on boats, oil- and gas industry, non-organic- and chemical industry was all supplied.
1970s there were about 10-15 plants around the world.
1980s export to the western countries.
1990s the old eastern countries, China, Southeast Asia and more.
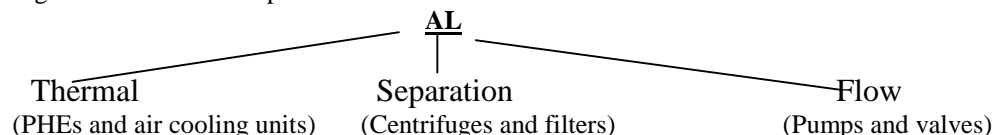**1991** Rausing bought AL. Manufacturing in the eastern countries.

Fredrik Bertilsson is brand manager at AL, he is responsible for the PHEs that was first launched in 1931 but then with the sole purpose of helping with the pasteurising of milk. Today there is a huge variety of where PHEs are being used, it can be everything from supply heat to be a component in the pharmacy industry.

In August 2000, AL was acquired by Industri Kapital (for more information about this company see appendix 1b) from Tetra Laval, in a deal that was the largest Scandinavian buy-out transaction to date. Due to the acquisition AL is now facing a huge re-organisation as a result of an ongoing project. The main purpose is that there shall be _one_ AL so that the corporate identity will be clear to everyone, to employees as well as to customers.

AL is a leading global provider of specialised products and engineering solutions. The equipment, systems and services are dedicated to assisting customers in optimising the performance of their processes. Time and time again.

AL operates and manufactures in three primary areas of competence (see figure 1).

Figure 1 AL's core competences

AL

Thermal	Separation	Flow
(PHEs and air cooling units)	(Centrifuges and filters)	(Pumps and valves)

After the re-organisation the idea is that AL shall be more customer-focused and there will be only two divisions – _process_ and _equipment_ – instead of three. From now on everything about the organisation will reflect the dedication to provide the customers what they require.

Thermal will consist of:

>Thermal key components, here the customer knows what he/she wants and buys large quantities at once.
>
>Thermal process industry will supply the process industry where the product not is well known to the customer.

AL has "regional product managers" situated in the US, Japan and Hong-Kong and they report directly to their bosses. Being a product manager has both clear advantages as well as distinct setbacks; on the one hand he/she is well informed, always updated, involved in most of the actions and thereby he/she gets a good overview. On the other hand, however, it can be hard to distinguish what is product and what is not, by this we mean it can sometimes be hard to draw a line for where the product manager's work begins and ends. Fredrik Bertilsson feels that there is no satisfying, if any, communication between the R&D team and the production team, which leads to that he often gets stuck in the middle like a mediator.

Brand/product manager = the spider in the web!

As have been said earlier on, the company has been re-organising itself to produce a more customer focus organisation, a stronger sales and service culture and system, which the management believes will lead to less duplication of process and cost, increased sales and a higher level of customer satisfaction.

AL's new owner, Industri Kapital (hereafter mentioned as IK), is a leading European private equity firm with equity capital under management in excess of 3 billion Euro. Since its inception in 1989 IK has, through its four funds, undertaken 40 investments in European companies in various industries. The current portfolio comprises 25 companies whose combined sales exceeded SEK 70 billion in 1999. The fund investors are large Nordic, European and American institutional investors such as pension funds, investment and insurance companies.

Since 1989, IK has made more than half of its investments in the manufacturing, process and service industries. Well-known companies that IK's funds have invested in include Finnish KCI Konecranes (listed on the Helsinki stock exchange), Lindex (listed on the Stockholm stock exchange), Intrum Justitia and Neste Chemicals.

IK's goal is to build the long-term value of the companies in which it invests, with value being created through substantive, real and lasting improvement of performance of a business.

On average, the profits of the companies in which IK has invested have nearly doubled during the period of ownership. IK's philosophy is to work closely with management to achieve improved performance. IK is dedicated to the mission of creating value in businesses.

Phone Interview AL – an update 2003

Contact person: Peter Torstensson, **vice president communication**

Peter Torstensson is the information director for AL and also their only brand manager. He was employed by the management in January 1999 with the mission to take care of the AL brand. His main task is to build the AL brand and is globally responsible for brand management in its every aspect.

At AL they consider brand management as a fundamental part of the organisation and not as something "woolly" for the marketing people, it is simply viewed as a vital part of the organisation in order for AL to succeed.

It was in 1998/-99 that AL started to focus on the brand instead of "just" the financial goals as is the most common for companies within the B2B environment. There are many important parts that needed full attention:
- Measure the AL brand
- Secure that the AL values get through to the customers
- Implement brand strategies
- Secure the right structure
- The brand management must be in accordance with the overall business strategy

A product manager is **not** the same as a brand manager! A product manager focuses on the product itself (B2C) while the brand manager takes care of the more immaterial parts that builds the brand=company (B2B, corporate brand manager).

Between August 2000 and May 2002 AL was owned to 2/3 by Industri Kapital and to 1/3 by Tetra Laval. This changed in May 2002, however, when AL was quoted on the stock exchange which lead to that Industri Kapital now own less than 18% and Tetra Laval about 17% and the rest is "floating".

So, the environment in which AL operates in has indeed changed over the last year but the brand manager's role itself has not.

It was in 1998 that the brand management process at AL went through major changes. This was not because of the change of owners (Industri Kapital) but instead due to a big reorganization which lead to a more brand focused organisation. Before, the focus had been on strategic- & tactical decisions.

The brand manager at AL must act as ONE voice from AL to the "outside world" so that it is clear to each and everyone what AL stands for. AL's mission is "to optimise the customers' processes over and over again". Peter Torstensson wants the customer to connect AL with "innovation", "courage" and "knowledge".

AL has been operating for 120 years.

Problems for the brand manager at AL: AL is a much diversified company that is active in 25 different industries (energy, environment, marine etc.) and 50 different countries. It is a

complex network and therefore hard to get everybody in the same direction with the existing resources and to get support and understanding.

The management at AL is very supporting and understands the importance of a well-functioning brand management and brand focus has come a very long way here but still it can be viewed as something less necessary.

Brand management future at AL:
"With more resources we can do more"
Focus on product design
Be more active in the sales training

Advice to the brand manager of tomorrow:
1. See to that you get the management's **full** support, without it you can spend your days stapling papers.
2. The company = the brand (within B2B). It is important to have a "slim" organisation with ONE communication department who speaks for the whole company. AL hires and pays their own sales people working in Russia, Italy, China etc. to secure that everybody speaks the same "language" and truly understands the company's values.
3. Take control over the financial resources.

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Contact person: **John Petersen**, Managing Director

Subsidiary to the mother company (Alfa Laval AB), market company (MC). Has all of AL's products within the three divisions; Thermal, Separation and Flow. AL AB is in for a huge re-organisation where there will be 2 divisions instead of the three; Process Technology and Equipment. MC in the whole world will be organised in the same way, these 2 divisions + after sales service. This starts as from 2001. There are currently 75 MC's around the world.

Independent Danish AB, owned by AL AB, is a part of AL as a MC.

AL Group

President and CEO

Executive Vice President	Corporate Staffs	
Business Areas	Business Segments	MC
- Flow	- Brewery	
- Separation	- Marine & Power	
- Thermal	- Oil & protein technologies	
	- Water technology	

AL = High quality and environmental protection (i.e. re-using of heat)

MC's role:
• Implement AL AB's strategies
• Exist locally, have large market coverage
• Many other sales channels than MC exist but it is MC's mission to take care of these (distributors). What is sold through distributors does also benefit AL.
• Local business plans
• Promote AL's image (advertising, PR, exhibitions, promotion…)

MC is involved in most of the buying processes:
Business segment + business areas -> MC -> Agents, distributors, contractors… -> End user
But also directly to the end consumers
Strategic Alliance with Tetra Pak who also can buy AL's products
AL is a matrix organisation, John Petersen does only report to the top management but has also operational contact with business areas and business segments. He does business plans

and local strategies together with the latter. The overall decisions are being made by the top but the three business areas have their own strategies that MC shall follow.

Danish AL A/S was first founded in 1900, is called Alfa Laval A/S today. AL A/S has two production locations belonging to AL in Denmark; AL separation in Copenhagen and LKM flow station. The turnover is about 280 million DKK, 95 employees.

John Petersen and his MC are strengthening the AL brand by their way of marketing both the name and the products; create attention for AL as a name/organisation and for the products. They have had their own say of how the brand shall be built, which strategies to use etc. but after the re-organisation it will be much more central guidance. John Petersen is positive towards this if it is done properly but he still feels that it is necessary with local activities. There will be one common customer magazine ("Here") which is good because then the customers will know who AL is – an image will be created. John Petersen does also see the negative sides to it; longer distance to the customers, the focus can be lost.

Important to have local MC's. They collaborate a lot with the other local MC's, especially with those in the Nordic region. They discuss strategies etc.

John Petersen thinks that branding is highly important even in B2B companies and centrally AL is working on it. It is important but it differs from B2C companies. Further, Petersen, means that AL always has been good at branding but that the industry may not been so. AL is more and more aware of both the local and international building of the brand, they use the same logo, the same colours etc.

To Petersen, a Brand Manager fills the same function as a product manager, to build image. In AL there are no real brand managers.

Why is there so much focus on brand management?
John Petersen means that there is no big difference between the products today, the market is more homogenous and it is impossible to build a brand/image solely by differentiate the products. Therefore brand management is needed.

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Contact person: **Ms Malgorzata Chmielewska**, Marketing Manager/Brand Activation
Controller.

AL Polska was established in 1924 in Poznan (a town in the central part of Poland). In 1964
AL opened the office of technical support in Warsaw, which became the head office of AL
Polska. AL Polska has, besides the head office, two branch offices in Poland; one in Gdynia
(northern part of Poland) and the second in Lodz (central part of Poland).

AL's marketing department in Warsaw functions as a bridge between the organisation and the
polish customers. The department's task is to create and sustain an image of AL in customers'
minds using different marketing efforts.

Ms Chmielewska says:
**"your brand is like your child, you have to nurture it and at all times think about its future. You have to
monitor it, analyse its development and shape it"**

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Contact person: **Lars Österlind**, Managing Editor

Ten years ago, Appelberg pioneered the concept of applying journalistic skill and presentation to international corporate communications. Today, such global companies as Alfa Laval, Ericsson, Gambro, IKEA, SCA, Skandia, SKF and Tetra Pak choose Appelberg to tell their story.

Appelberg is an international publishing agency with offices in Europe and the United States, as well as partner agencies in Hong Kong and Japan. With a global network of professional journalists in 50 countries and in-house teams of managing editors, Appelberg is well equipped to create corporate publications and communication strategies that deliver business and customer value.

In corporate communications, a journalistic presentation is a credible, versatile and engaging approach for presenting information and building relationships with customers. That is why Appelberg uses its journalistic expertise when developing its publishing services.

International companies rely on Appelberg when planning their communication strategies, whether they focus on global marketing communications, management and employee information, or investor relations. In print, video or online, Appelberg can help ensure a company's projection of a consistent corporate brand and image.

Appelberg's publishing services support companies in their international marketing activities and help them establish and maintain relationships with current and potential customers. Appelberg creates management publications that inspire and support company managers to implement change and develop business. In addition, Appelberg evaluates and re-launches existing publications.

Appelberg has a staff representing 12 nationalities and with fluency in 16 languages; associated companies provide even greater language capabilities, including native competency in Japanese and Chinese. Having this kind of diversity in-house provides Appelberg with a broad intercultural perspective – one that customers can draw upon when communicating with their global employees, customers and investors.

The mission
"We will help your company build long-lasting relationships with investors, employees, clients and consumers by telling your story with credibility and journalistic flair in any language through all kinds of media."
"We create **W**orld **W**ide **W**ords."

Olle Appelberg was information manager at AGA for "Nova" (customer magazine) and it was there he got the idea to start his own business. 1989 he opened Appelberg which today has 45 employees at offices in Lund, Stockholm and Chicago with partners in Hong Kong and Tokyo.

Mission: communicate through magazines, both digital and printed.

Lars Österlind wants to place Appelberg somewhere between a "traditional" advertising agency, a PR agency and a magazine agency.

How does Appelberg work?
NEW CUSTOMER
A strategic platform is built -> many deep interviews with the employees within the company, which products exist? How can we strengthen the brand? etc -> analysis (a small market research), what do we consider to be best for the company + the company's own needs and wants -> look at the target group and the company purpose; is only one printed magazine enough and/or digital.. How does the company best communicate its message to the target group? -> a general strategy is built (in AL's case, both a printed magazine and on the web). Appelberg rely on long term relationships, 2 years at least. It varies from the first contact until a magazine is published, for Tetra Pak it took 1 year while it only took 2 months in Saab's case.

Appelberg represents big companies like Tetra Pak, Gambro, ASG, ASEA among others and has around 30 different projects ongoing. It is to 80 % big, international companies that a represented by Appelberg but also national ones like Vattenfall, Vin & Sprit.

Why is Appelberg so successful?
* Journalistic knowledge
* Communication knowledge
* Information experience
* Market knowledge
* Language knowledge
* The role is the one of a project leader
* Social competence

Alfa Laval is Here. A quarterly customer magazine on separation, heat transfer and fluid flow in English and German. A Web version in English.
"Here" is AL's customer magazine with standardised contents all over the world except that it is published in both English and German. It aims to build image and show AL as a diversified company, it is published 3 times per year.

One. Internal magazine four times a year in English and Swedish.
"One" is the internal magazine which aims to all AL employees around the world and is published in Swedish and English. It tries to strengthen the feeling of "one-ness" within AL and is published 4 times per year.

Birgitta Lundblad is the contact person at AL, it is with her the operational contact is maintained.

Appelberg has hired the design agency "Magazine" to help AL with the design of the magazines.
Lars Österlind feels that the expressions brand manager and branding are just popular words that everybody seem to talk about. What a brand manager actually does he does not know and he is questioning if such a person is really needed in a company. He thinks this is something that shall be a responsibility for all employees, from the floor to the top.

Appelberg's mission is to build, strengthen and maintain AL's brand. The most important element in building a strong brand is to create an image; the magazine shows that AL has good products that trigger excitement and interest.

Nestlé

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Contact person: **Johan Svensson**, Business Category Manager

The history of Nestlé began in Switzerland in 1867 when Henri Nestlé, a pharmacist, launched his product Farine Lactée Nestlé, a nutritious gruel for children.

Henri used his surname, which means "little nest", in both the company name and the logotype.

The nest, which symbolises security, family and nourishment, still plays a central role in Nestlé's profile.

Since it began over 130 years ago, Nestlé's success with product innovations and business acquisitions has turned it into the largest food company in the world.

Today, Nestlé markets a great number of products, all with one thing in common: the high quality for which Nestlé has become renowned throughout the world.

Nestlé is one of the Nordic region's leading food companies, with popular brands such as Nescafé, Nesquik, After Eight, Kitkat, and Zoégas. The focus is on markets or segments in which Nestlé can be market leader and offer customers and consumers the best choices. Today, the Nestlé companies in Denmark, Finland, Norway and Sweden operate as a corporate unit, Nestlé Norden.

The Nordic organisation enables the company to co-ordinate the work in the region and utilise the resources more efficiently. Together as a group, they are more competitive than they would be separately in each country. The Nordic head office is in Copenhagen, in the same building as the offices of Nestlé Danmark.

Nescafé is Nestlé's biggest, individual product and was first launched in 1938 as the world's first instant coffee. It was by request from the "coffee-country" Brazil, who needed a method to dry coffee for restoring, that the water-soluble coffee powder was developed by a group of scientists at Nestlé's laboratory in Vevey.

Nescafé is the crown jewel of Nestlé's business group Beverages. It is Nestlé's single best-selling product and the world's biggest coffee brand. The Nordic marketing group is constantly working with strategies and campaigns to build up a strong, consistent image around Nescafé. Image building is done through outdoor campaigns, in the media and through participation in larger public events. Marketing activities are followed up in co-operation with retailers, so as to facilitate in-store sales.

Johan Svensson is Business Category Manager at Nestlé and is responsible for the coffee-brand "Nescafé" in Sweden. The coffee market is divided into "fresh coffee" and "instant coffee", where Nescafé is a part of the latter group. The biggest competitors on the instant

coffee market are Gevalia, Löfbergs and the growing group of "private labels". Nescafé owns however a market share of 50% in Sweden.

The organisation is divided into a Nordic market team with a market manager, 5 brand managers and one business category manager in each of the Nordic countries, thus there are no local brand managers (see figure 1).

Figure 1 Nestlé's marketing team
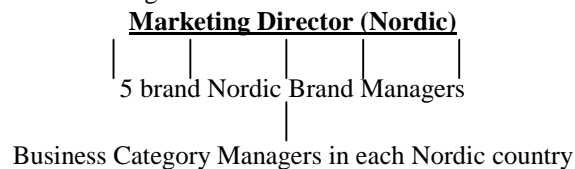
Marketing Director (Nordic)

5 brand Nordic Brand Managers

Business Category Managers in each Nordic country

The business category manager operates as a link between the Nordic countries and the Nordic market team. Each brand champion reports to the global CEO. The market team has meetings 6 times per year to set up short-term, Nordic, strategies. The long-term strategies are set up by the market manager together with the SBUs.

The role of the business category manager
A business category manager can be described as a market manager with emphasis on sales. The work tasks can be quite unclear but in short the business category manager shall implement the brand strategies in every country and make sure that they are followed. Moreover, the business category manager is responsible for the market share, analysing the competitors and the set the correct prices. The work is divided in 20% strategy, 30-40% analysis and the rest consists of "other tasks".

The concept brand manager itself was born from the product manager's role but has developed to be more brand focused. Johan says that Nestlé has done a good job with the brand focus but can still improve.

Positive sides with being a brand manager at Nestlé:
- You get to be a part of the maintenance of a strong brand.
- You work close to the consumers with interesting products.
- You will analyse and take actions to lead the brand in the right direction.
- You get to be in the "centre of attention"/"spider in the web".

Negative sides with being a brand manager at Nestlé:
- Brand managers sometimes function as a company of their own; there is no clear job descriptions and every brand manager minds his/hers own business.
- You are stuck in the middle with sales people beneath, the market team above and managers on the sides.
- Being a brand manager is a stressful job – "the spider in the web".

Why has Nestlé succeeded?
Thinking long-term combined with obvious product advantages. A great portion of money is invested in media and marketing. It is also crucial to stay up to date in today's fast-changing

technical development and to be aware of the threat of competitors (especially from private labels). *Nestlé = good food, good life*

<u>Advice</u>
Be straight forward towards your contacts, have clear limits and stress where your responsibilities start and end so that you do not end up being overloaded with work.

<u>Future</u>
Johan believes that the future brand managers will ha a far more sales- and marketing focused role as companies get more consumer-focused. It is a necessity that everybody understands the importance of brand management.

Contact person: **Ingrie Wange**, Senior Brand Manager

Mars' history goes back all the way to the 1920's when the company was first founded by the American family Mars. Mars has for the last three generations been a fully family-owned company but during the year of 2002 the organisation has seen a total restructure due to the retiring of the current owner. Since there no longer is a natural heir within the Mars family it has for the first time been necessary to look elsewhere in order to find an appropriate person to handle the huge responsibility. The extreme patriarchal runned company has many times been an obstacle for employees at all levels, the brand managers being no exception, but through the restructuring it is commonly believed that the hierarchical structure will decrease.

The brand managers' situation within Mars has already approved over the years although there is yet much to be done. Ingrie Wange, senior brand manager at Mars, does not agree that being a brand manager is as negative as the literature sometimes makes it out to be. She feels that it might have been the case when she once started her career at Mars for about 8 years ago but now she can honestly say that she has the executives' total trust and engagement in her everyday work. The situation can however vary a bit for the different brand managers depending on "what kind" of brand manager they are and to "which zone" they belong[4]. At Mars a new employee has to start from the "bottom" as a trainee and then advance to junior brand manager and later on to senior brand manager (see figure 1 below). All brand managers ultimately have the same issues to work with but the degree of responsibility differs, i.e. a junior brand manager has responsibility for about 2-3% while a senior brand manager can be responsible for 80%. A high grade (1-4) on the zone-system together with a high degree of responsibility, as in case of a senior brand manager, might lead to that that certain brand manager does not notice any possible lack of trust from the top because she/he in fact has a great deal of responsibility and is highly implicated in many projects and decisions made. On the other hand, a junior brand manager does not at all have that amount of responsibilities and is often the one who does the preparatory work that lay as a ground to the decisions but does not actually take a part in the decision-making process itself.

<p align="center">Figure 1 Brand Marketing at Mars Inc., Snackfood Scandinavia</p>

<p align="center">Zone 6-8</p>

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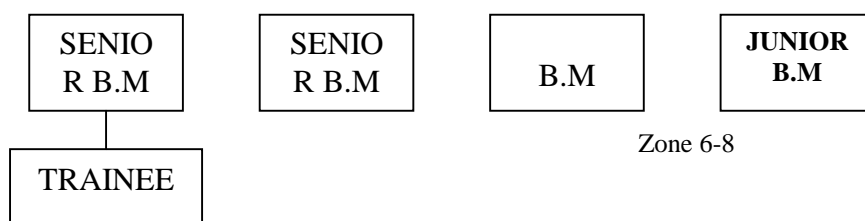
[4] At Mars Inc. all employees are divided into a scale or zone-system where zone 1 is a maximum and somewhere around 11-13 is the lowest. These zones lay as a ground for how much responsibility and salary the brand managers are given.

Contact person: **Niklas Andersson**, Brand Manager

Unilever has always been, and still is to some extent, a very local company where the growth has been due to internal mergers and acquisitions. The policy has been to hold only local brands and operate solely within Scandinavia. This is however, at the time of writing, about to change; the focus is now on a broader European perspective. One way in that direction is to cut down the number of brands from 1.600 to about 400 and on an even longer timeframe down to 50 brands. The consequences as far as the brand managers are concerned are firstly that it facilitates a greater focus on every single brand; each brand can now get the time and attention needed to make it successful. Secondly, a closer collaboration between other brand managers and directors is possible due to the creation of a "one-ness" with clear goals.

Only a couple of years ago the brand managers' role at Unilever looked a lot different than it does nowadays. The brand managers would then have a much broader responsibility, it included all from R&D to the actual launch of the brand in the stores. This proved to be a non-functioning system – no one can be an expert of everything. The situation today is instead that the brand manager handles product development, concept development while so called "category managers" implement the decisions and guide the brands into the stores and display them to the consumers. Brand managers are experts on the brand itself and the category managers are in charge of the consumers, naturally these two types of managers have to work very closely together and have a good relationship to each other.

1. Bakgrundsinformation om företaget och dess utveckling
   Historia, affärsidé, vision
   När globaliserades det? Hur gick det till?
   Hur är företaget uppbyggt, organisationsschema?

2. Finns det någon marknadsföringsavdelning inom företaget?

3. Samarbetar ni med någon reklambyrå? Om, hur går det till?

4. Hur fungerar företaget?
   Produktchef med ansvar för många brands som har hjälp av "brand managers" som har hand om specifika varumärken. Dessa (brand managers) har då hand om adv., prom., mktg research etc…

När företaget säljer produkter till olika marknader
   I stället för chefer som ansvarar för varumärken koncentrerar marknadscheferna sig på att förstå och tillfredsställa behoven på de olika marknaderna.

Företag som säljer på många olika marknader med ett brett sortiment
Produktchefer ansvarar för försäljningen och vinsten av "sina" produkter och kollar teknologiska utvecklingar som kan påverka produkterna.
   Marknadschefer fokuserar på konsumenternas behov i varje marknadssegment.

5. Hur stor marknadsandel har ni? I Sverige? Globalt?

6. Har andelen ändrats i samband med globaliseringen? På vilket sätt? Varför?

7. Blev det ett annorlunda sätt att arbeta och tänka på när företaget globaliserades? Fick man "tänka om" för att bibehålla ett starkt varumärke?

8. Branschen och marknaden, kort beskrivning. Vilka är största konkurrenter?

9. Är Alfa Laval ett varumärke-fokuserat företag eller produkt-fokuserat? Vad innebär detta? Hur hjälper det att skapa ett starkt varumärke?

10. Varför har ni lyckats?
Vilka strategier har använts? Hur har ni byggt upp ert varumärke? (Relation mellan varumärkets strategi och företagets strategi).

11. Vad är det viktigaste att tänka på när man ska bygga upp och bibehålla ett starkt varumärke?

12. Anser du att ert företag är förknippat med något ord, står det för ett ord eller uttryck såsom Volvo – säkerhet eller Rolex – prestige?

13. Vilka är dina arbetsuppgifter och vilka ansvarsområden har du? (reklam, försäljning, förpackning, prissättning, produktutveckling, brand extension, andra; är du ansvarig bara för ett varumärke?)

14. Vilka affärsmål sätter du upp varje år, långsiktiga-kortsiktiga? (brand awareness targets, sales targets, market share targets, contribution/profit targets, cost targets, others)

15. Har du en allmän/helhets strategi för de varumärken som du ansvarar för och hur många år omfattar en sådan strategi? Är du involverad i formuleringen av den strategin?

16. Vem tar det slutliga beslutet att implementera strategin?

17. Vem är din direkta chef (vem rapporterar du till)?

18. Hur många man jobbar under dig och vilka är deras uppgifter och ansvarsområden? Hur många andra brand managers finns i Alfa Laval och vilka är deras uppgifter?

19. Använder du dig av konceptet "Brand Reality" (man organiserar/stimulerar varumärkets uppbyggande aktiviteter bland anställda på ett sådant sätt att anställda är stolta över företagets brand leadership och med stor glädje jobbar med uppbyggandet av varumärket – man använder sig av den interna marknadsföringens två huvudkompetenser av anställda: Pride och Passion.)

20. Använder ni er av konceptet Brand Mantras?

21. Vad tycker du om att bygga upp varumärket utan massmedia och i stället med hjälp av andra alternativa sätt, t.ex. sponsring?

22. Vad ser du som den största förändringen vid globaliseringen? På vilket sätt påverkade det dig i din roll som "brand manager"? (problem, möjligheter)

23. Hur koordineras samarbetet med dotterbolag och ev. reklambyrå?

24. Hur har utvecklingen inom brand management resp. brand leadership sett ut? Är det ett omdiskuterat ämne? Vilka faktorer (mikro/makro) har orsakat en sådan utveckling/förändring?

25. Är det någon skillnad på dagens "brand managers" och gårdagens? På vilket sätt skiljer det sig?

26. Hur ser framtiden ut för "brand managers"? Står ni inför stora förändringar, svårigheter? Vad skulle du vilja förbättra/ändra?

27. Tycker du att dagens brand management system (inom Alfa Laval och generellt) representerar så pass väl organiserad struktur för att framgångsrikt kunna sköta produkternas varumärke, eller finns det andra alternativ organisatoriska strukturer som är bättre anpassade till dagens snabba marknadsförändringar?

28. Vad skulle du ge för råd till en blivande "brand manager"? Som global manager, hur bör man organisera varumärket/uppbyggande processen?
29. Hur tror du att uppköpet (horisontal eller vertikal integration) av Alfa Laval kommer att ändra/påverka företagets varumärke och din roll som brand manager?

Mia Hagström
Xxx xx LUND
Tfn. 046-xx xx xx

                                       dd-mm-yyyy

COMPANY X
Sweden/Denmark/Poland

Vi är två studenter vid Lunds Universitet som för närvarande skriver vår magisteruppsats inom marknadsföringsämnet.

Vi har valt att studera varumärkesteorin och fokuserat oss på hur en sk global brand manager arbetar, mer precist vad han/hon har för uppgifter, krav, rättigheter och hur arbetet har förändrats i samband med globalisering av företaget etc. Eftersom vi är speciellt intresserade av hur det fungerar inom ett svenskt globalt företag skulle det vara oerhört givande för oss att komma i kontakt med just Ert företag. Då detta ämne ännu är relativt outforskat anser vi att det skulle gagna Er såväl som oss samt forskningen som helhet om vi får möjlighet att genomföra en intervju hos Er.

Om Ni väljer att deltaga i intervjun kommer vi att sända information gällande eventuella frågeområden som vi skulle vilja diskutera med Er.

Vi ser fram emot att höra av Er så snart som möjligt.

Med vänliga hälsningar

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