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Brand
-Repositioning a brand -

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Summary

Title: Brand – how to reposition a brand

Key words: brand, re-positioning, Fleur de Santé, brand identity, brand image

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Level: Bachelor thesis, Business administration

Purpose: The purpose with this thesis is to analyze and study brand identity repositioning and I will use company Fleur de Santé as an actual example. The objective is to spot if repositioning of brand identity is possible, which ways are to take and what has to be done and changed when going through repositioning process?

Method: This work is a qualitative study of repositioning a brand identity of Fleur de Santé that will more over also illustrate some generalities about repositioning, brand image and brand identity. Theories about brands and repositioning are used to analyze the empirical part of this thesis. Empirical part consist mostly of primary data that I have acquired trough interviews but also some secondary data that I have got from Fleur de Santé.

Result: I believe that vision, image and identity, brand and positioning are all parts of repositioning process. When repositioning, company has to decide if it is going to compete with same attributes as before or if company is entering totally new competitive domain with new dimensions. Fleur de Santé has changed its identity and chose which parts of it to point out; history, brand and natural ingredients in order of creating new picture in customers minds. Their identity is thought trough carefully but not all parts of positioning are fulfilled as I recommend in my *RESTART* repositioning process.

Contents

1. Introction

In this chapter I will represent the background of this thesis as well as I will characterize the problem and the purpose. Further on delimitation and terminology will be explained and finally I will describe the target group of the thesis and give an outline of the disposition.

1.1 Background

Already in the Bible the word brand has been used and branding has since then expanded in many different directions. English word brand is originally coming from old Nordic word "brandr" and mean in translation "to brand" or "to mark".
The first actual signs of branding started with cattle, earthen vessels and Egyptian buildings but the opening time branding was done with purpose to recognize the maker was during years of Jesus birth. The commerce between countries around Mediterranean took place and producers and buyers could not keep contact as easily. To be able to know where and from whom the goods were coming from producers started to mark their merchandise.[1]
Then in the late 19th century industrial revolution took place in USA and consumers were on daily basis offered increasing supply of commodities and as a result the era of mass production, mass distribution and mass communication started. Local shopkeepers were replaced by bigger shops and producers usually branded their merchandises with their own name as for example Mr. Lipton and Mr. Gillette. Many brand names were also invented and some of them still exist today like Coca-Cola. [2]
Although brand successively got larger and more important part in the whole picture of the company it was first during 1990´s that its big break through came. The expressions like brand equity and brand management started to play huge role in the companies.[3]
Strong brand adds value to the company and is today, in the time when consumer can choose between dozen of products of the same type and quality, used as a competitive force. Firms are sold for a four to five times higher price than their booked value and this higher price is justified by high and strong brand equity. Though brands also have a high value for a business because they are functioning as an entry barrier for other companies in the same market as well as they are used to create customer loyalty.[4]

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[1] Melin, Frans *Om konsten att utveckla starka varumärken* (1999)
[2] Ibid.
[3] Ibid.
[4] Ibid.

As the fact is, brand means a huge deal in a company success today. Therefore a firm should put brand making and image making at least side by side with all other success making factors.

1.2 Problem

To be able to look into Fleur de Santé's process of brand identity repositioning I believe that I first have to understand how important vision, mission and goals are for a company in general but specially in times of transitions. Further on I consider that it is important to be familiar with difference between the many similar but still different terms as for example image and identity and further on which different functions the brand has within a company. How is this important for Fleur de Santé and its repositioning process?

Fleur de Santé has very often changed owners and its core purpose, which led to diminishing market share, diminishing target group and profits. Then a decision was made to concentrate on one type of products and to put this company back on track again. Is it possible to reposition a company, that has had a bad image before, and reconstruct brand identity and image of the company?
After this discussion some questions arise and following hypothesis are the ones I would like to answer and look in to:

Is there one general way of repositioning? If not which way should a company take when repositioning?

Which are the steps in the repositioning process and how important are them in order to succeed?

1.3 Purpose

Purpose with this work is to study and analyze brand identity repositioning using Fleur de Santé as an example from the actual life. The idea is further on to see what has to be done and changed when going through repositioning process?

1.4 Delimitation

It would be very interesting to regard process of brand identity repositioning from both external and internal side but since that process would require a greater amount of time that I have, I had to choose one of these. Even though it would be very interesting to explore this subject from customer and competitor viewpoint I will not discuss it very much for the above mentioned reasons. Still it will be mentioned in those parts where these groups have great impact in the repositioning process.

This paper will therefore primarily focus on company's perspective concerning repositioning of a brand identity. My decision is based on the fact that I find internal side most interesting and fascinating.

1.5   Explanation of terminology

In this paper I will use term brand identity but I will by that mean both brand identity and corporate identity. Reason for this is that Fleur de Santé does not have different brands for different products that it wish do reposition but only brand identity of the company.

1.6   Target group

Target group of this paper are primarily business students on university level and company managers and leaders inclusive management board of Fleur de Santé.

1.7   Disposition of the paper

Chapter 1 – Introduction

Here background is presented and I have also defined the problem and purpose with this thesis. Further on I have explained delimitations that are done in the paper as well as I have explained terminology. In the last part I have described the target group of this paper and the disposition.

Chapter 2 – Method

In this chapter I have explained how this study is done. Qualitative and quantitative methods are explained as well as the approach. Further on choice of theory, subject and company are explained and also the ways to collect the information.

Chapter 3 – Theory

This chapter consists of different theories about vision, image and identity and communication advertising. Further on it continues with definition and different roles of a brand and thereby follows an explanation of positioning. Finally chapter finishes with definition of repositioning.

Chapter 4 - Fleur de Santé

This chapter starts by introduction of the investigating company and its structure over the time. Further on I explain the production and sales and marketing organization and finally I describe repositioning process of Fleur de Santé.

Chapter 5 – Analysis

Here an analysis of Fleur de Santé's repositioning process is done using theories from chapter 3.

Chapter 6 – Conclusion

In this chapter I give a brief outline of those conclusions that I have drawn and I also discuss the contribution of this thesis.

2 Method

In chapter 2 I will describe and motivate which way I will use to fulfil my investigation. In this chapter I deal with the kind of approach that I have chosen and also the quantitative and qualitative method. Further on choice of theory, subject and company is presented as well as ways to collect information.

2.1 Qualitative method

There are two main methods to choose between when it comes to collecting data. Choice of method depends on what kind of information we are searching for, hard or soft, and further on the kind of the question that is to be answered. These methods are not to be used exclusively but can as well be combined within same examination which can only contribute to the result.[5]

Quantitative method is applied when researcher is looking for few pieces of information from many objects. Investigator is not having close connection with these objects but is observing them from outside. Examination is very much structured and ordered as its purpose is to compare occurrences in a timely and numerously perspective.[6]

Qualitative method is on the other hand more based on a close relationship with the subject that is investigated. Here few objects are looked at but from many more aspects and intention is to create a bigger comprehension of a problem that is discussed. This method is generally employed when there is need for deeper knowledge of this issue but also to find those unique and unpredictable characteristics.[7]

Another strong point of qualitative method is that it is offering flexibility and an overall picture of the case. During the investigation researcher see what kind of questions are not suitable or are giving satisfying information and so then these can easily be changed, taken away, expanded and maybe even some other questions can be added in order to get more or better information.[8]

The negative side, the one that is making quantity method positive, is that this method is not consistent and so it is not giving possibility to do standardizations.[9]

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[5] Holme, Idar Magne & Solvang, Bernt Krohn *Forskningsmetodik: om kvalitativa och kvantitativa metoder* (1997)

[6] Ibid.

[7] Ibid.

[8] Ibid.

[9] Ibid.

Case studies and personal interviews are the most common kind of qualitative methods[10] and they are regularly used when studying long term projects, processes and changes.[11]

Since I wish to understand the situation of one single company and considering the issue I would like to explore qualitative method appeared as a natural choice. I find it appropriate to base my investigations on personal interviews with someone from the company who is engaged with the issue.

Further on I believe that quantitative investigation would in my case not give profound understanding to those questions I would like to answer. My aim is not to achieve numerous information but to get deeper knowledge within this phenomenon. Further on, in order to find answer to my questions I was in need of detailed information about the subject and not only yes and no answers.

2.2 Approach

There are three different approaches we can follow when writing a thesis: inductive, deductive or abductive.

The inductive approach, also called "the explorative way" can be explained as a method where starting point are empirical examples from real life which are compared with different theories, methods and conceptions. Often when using this approach many theories are put together and then these theories are used as a base to develop hypotheses. These hypotheses are afterwards being analyzed using previous empirical discoveries as starting point.[12]

Applying deductive approach means in contrast that the foundation is theories, which are to be put side by side with empirical experiences. Like this we start from general theories accordingly to get to something more detailed and unique.[13]

The third method, abductive, is the one that is probably used most when it comes to case studies This method can be explained as a mixture of inductive and deductive approach.

The similarity with inductivity is that basis for the research are empirical facts, but as with deductive approach, theories are very important. During the process theories are used as an inspiration to find new patterns and models behind empirical studies and not as a forced starting point.[14]

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[10] Ibid.

[11] Patel, Runa & Davidsson, Bo, *Forskningsmetodikens grunder: att planera, genomföra och rapportera en undersökning* (1994)

[12] Holme (1997)

[13] Ibid.

[14] Alvesson, Mats & Sköldberg, Kaj *Tolkning och reflektion - Vetenskapsfilosofi och kvalitativ metod* (1994)

2.2.1 My approach

I used many different theories that I put together and developed my own frames and "models" that are later on tested in the empirical study using repositioning process as a source. I used inductive approach since I had intention to test what I found in the case of Fleur de Santé with theories and models throughout the work.

2.2.2 Critic about approaches

It is very important to be aware of the fact that none of these approaches is ideal and that beside numerous advantages there are some disadvantages. These weak points are of importance since they have some impact on validity and significance of the result.

Difficulty with inductive approach is that theory is based on similarity between couple of single objects and the same similarity is then stated to be general. This might not be true and give the right picture of what is generally given that foundation is based on very few objects.[15]

Since deductive approach is working on the opposite manner, starting point is a general theory which is to explain one single case, risk of complexity is lesser. Although applying this approach can turn essay into text where writer is trying to emphasize an already existing theory. Therefore relevance of the paper may be questioned.[16]

Abductive approach may pose some complications because it is not clarified what is writers start point, inductive or deductive approach.[17]

2.3 Choice of References

The largest part of books and articles that I have concentrated on are from the area of marketing, image making and brand management. The quantity of literature where brand is mentioned is huge. In more or less each book we can find some parts where importance of this subject is brought up but I discovered that very few books are actually talking about how to reposition a brand. Similarly I found that there is not one big name, or better said "guru" who is writing about this theme, as Kotler is about marketing for example. This reality made my job harder and more complicated for the reason that I had to adapt to different kind of thinking and to various theories. To be able to continue my work I have based this essay on a couple of books and writers that I considered were most appropriate.

2.4 Choice of subject and company

The choice of writing a thesis about repositioning of a brand is based on my interest for brands and the process of repositioning.

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[15] Ibid.
[16] Ibid.
[17] Ibid.

The interest in brands came along during my University studies in Lund. But brand is a wide expression and writing about this subject would acquire time that is not available for a thesis of this kind.

The idea of repositioning as a niche came naturally when I got in touch with my investigating company, Fleur de Santé. I had some friendly connections with the CEO of Fleur de Santé and I was acquainted with the situation of the company. This company had just gone through a major process of repositioning and I considered that this would be a great opportunity to use this company as a reality example in my thesis.

2.5 Ways to collect information

This work is build upon both primary and secondary data. The main difference between these comes from the way data is collected and the quality of the information. Both styles have advantages and disadvantages. For example secondary data is mostly less expensive than primary data and is offering us information that would otherwise not be possible to collect but also this data might be irrelevant for our research, or even out of date or not even accurate enough.[18] Primary data can on the other hand offer us more interesting and profound information.

2.5.1 Primary data

Primary data is information that investigator has got from a source that is very much familiar with the subject or phenomena that is being explored. This type of data is giving us opportunity to get an overview of the total situation. Further on, this overview is making it possible for us to acquire better understanding for social processes and connections.[19] In fact there is a range of methods available for collecting this kind of information but the most appropriate ways depends on the type of research being performed.[20] Some of alternatives that we have for gathering primary data are observations, surveys, experimentations, e-contact, contact via phone etc. Another possibility we have is unstructured interviews based on qualitative method. Within unstructured interviews there are two different techniques to follow: in-depth interviews and focus groups. In-depth interview is a kind of interrogation where interviewer is asking questions based on different topics but is not just posing previously written questions but is free to formulate these as he considers most appropriate for the moment and also he is free to develop the topic in the way he thinks is interesting and that is generating more for his investigation.[21]

For this work I have got my primary facts by e-mail and phone yet the greatest part I have gained trough depth interviews. Due to short matter of time and resources I have choose to be satisfied with these interviews and my own personal experiences while collecting primary data.

[18] Hill, Elisabeth & O´Sullivan Terry *Marketing* (1999)
[19] Holme (1997)
[20] Hill & O´Sullivan (1999)
[21] Ibid.

2.5.1.1 Interviews

For the purpose of understanding the repositioning process at Fleur de Santé I had to interview someone from the company that was in the process from the beginning and that also had major impact on the development of this same process. According to this there were two persons at the company that could actually help me, the CEO, Martin Tönneson and the production development director, Ingrid Schellin. Because of huge time pressure at the company I only interviewed the CEO of Fleur de Santé. I consider that this was satisfying for the purpose of this thesis specially since this is a very small company and only two persons from the company led the process of repositioning. Interviews were personal with some complementation that was done via telephone and e-mail.

I have done two interviews with Martin Tönneson. Both took place at Fleur de Santé's office in Malmo and lasted for about an hour. I wanted to do a qualitative interview so I did not use the questions I prepared before the interview in specific order but they would only help me lead the interview in right direction. The interviews were very relaxed and it was done as a normal conversation where I explained to Martin Tönneson what information I was interested in and I needed in order to understand the company's process of repositioning. The technique I was using during the interviews was thus open questions where the respondent was given opportunity to motivate and explain how he was thinking and where he was not led by my questions but moreover he could him self discuss those parts he considered were important.

During the interview I wrote down key words on a sheet of paper and directly after the interviews were finished I sat down and put together the results in an interview report. Using these reports as a ground I continued to work with the interviews and I made the text even more consistent. Afterward I used this material as a basis for my empirical part in this thesis.

Further on I have interviewed Roland Sjölund at Oriflame, Fleur de Santé's biggest competitor. This interview was done in the same way as with Martin Tönneson but the data from this interview was used in order to get a larger overview of this branch and repositioning process in this kind of company.

2.5.2 Secondary data

"Secondary data are facts and figures already available 'of the shelf', having been collected for another purpose or another organization. The researcher is a secondary user of already existing data, so the research technique is known as *desk research*."[22] Secondary data is used to clarify the problem that we would like to explore and even answer our questions, to build up a background and provide us information upon which we can make comparisons. As with primary data there are different types of secondary data: internal and external. Internal data is the one that already exist within the company and has been gathered previously for some other purposes. External data is information put together by someone else for another or same reason. Examples of internal data are: customer database, written

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[22] Hill & O´Sullivan (1999)

information from company in form of commercial and sales force reports. Examples of external data are: books, statistics from different organizations, science articles, information from universities (essays, investigations, comparisons), Webb pages, knowledge and facts from various associations, magazines, journals and newspapers etc.[23]

The main goal with secondary data that I have obtained for this work is to develop a base upon which I will be able to make comparison with empirical studies and situation at Fleur de Santé. Search of secondary material for this composition is done via several channels. First I used database of economic library at Lund University as well I made use of database of University library where I searched for previous thesis about similar subjects. Unfortunately there weren't almost any thesis, that could help me in my work, that treated this particular topic. Further on, through these data bases, I found books and literature that are exploring the area under discussion. I have likewise studied literature that my guiding professor recommended and some facts I have searched for via internet. Beyond this I got several pieces of secondary information about Fleur de Santé partly via their Webb page and partly trough commercial outlets and letters that were given to me at the points of our meetings.

2.6 Criticism of method

It is very important that the data used in the thesis is both credible and valid since this is affecting researcher's reliability and validity. The results that are presented must be true for readers and others who are connected with the research.[24]

Before the interviews were done I did not send out any questions to the respondents. Therefore I am aware of that maybe this had bring some negative consequences in way that the persons being interviewed were not as prepared as they could have been. During the interviews I noticed that there were some details that respondents could not remember which they possibly could if I have send out some questions before the time for the interview. The reason why I did not do this is that I did not want respondents to prepare answers on the questions and in that way give me very structured and focused information. There was a risk that persons being interviewed would forget or avoid to bring up alternative questions and aspects that I did not mention. Interviews would then in certain way be led and would not be qualitative. A positive side of having an open interview without standardized questions is to create an open and comfortable atmosphere where the respondent is given opportunity to openly discuss the subject.[25]

I am as well aware of that the respondent could chose to only call attention to some positive parts of the story while neglecting some negative ones.

Further on critics may be turned to the fact that I only choose to look at one company as a reality example but my purpose with this paper was not to make a quantitative study where I will compare different companies but to make a

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[23] Ibid.
[24] Merriam, Sharan B. Fallstudien som forskningsmetod (1994)
[25] Holme (1997)

comparison between the company and different theories and to see whether there is a connection between theory and cases from reality when it comes to repositioning a brand.

Finally, what more I find important when it comes to the reliability and validity of this thesis is how I have interpreted the facts I have used. The way I was interpreting what I observed, the interviews I have made and the documents that I have read may have been affected by the relationship I have developed to Fleur de Santé. This can also affect how critical I was to the sources of the empirical material in addition to that this could have affected my understanding of different theories I have read. There is a risk that I did not understand them as the author meant since I might have searched for theories that would accord to the situation of the company I chose to use as a reality case.

3 Theory

In this chapter I will bring out some general information about vision, brand, identity, positioning etc and also show how these are connected in process of creating a strong brand. I will as well bring out different theories concerning creation of a strong brand
With help of different books I will start by clearing up what vision is, what it consist of and what function it makes within a company. I believe this will help in better understanding further theoretical discussion in this paper.

3.1 Building Company's vision

Whether a company is success or failure, well going or faced with problems it is very important to have cleared out and to be aware of the fact that strategic planning is a crucial matter. No matter which decision is to be taken within and about company clear vision and applicable strategy is of great help in order of easier understanding where to start and where the future is.[26] "Formal planning can yield many benefits for all types of companies, large and small, new and mature. It encourages management to think ahead systematically. It forces the company to sharpen its objectives and policies, leads to better coordination of company efforts, and provides clearer performance standards for control."[27]

3.1.1 Vision

Having explicit vision and strategy is one way of making the base of a company and clarifications like these usually make it easier to find the way which will lead to new targets and challenges.[28] As Kotter say it: " A successful change need a successful vision!"[29]

Vision is for the most created by management and is reflecting how management is imagining the company's future development. But all parties in a company: employees, management as well as the owners has their own ideas about a vision. Usually these ideas are differing from each other and to combine them into one vision is one of the greatest challenges.[30]

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[26] Armstrong, Gary and Kotler, Philip *Marketing: An introduction* (1999)
[27] Ibid.
[28] Ibid.
[29] Kotter, John P. *"Leading change: Why Transformation Efforts Fail"* (1995) Harvard Business Review, mars-april.
[30] Armstrong & Kotler (1999)

Among others, vision has three different functions: legitimating, ambition and focus and identification and motivation.

Legitimating function: Vision will explain company's role in society and how it will collaborate with other actors in its environment.

Ambition and focus: Vision is in one way setting frames for company's further work and is showing company's wide-ranging goals that are further on detailed by mission, goals and strategies.

Identification and motivation: Good vision should in a comprehensive way express where company's should be in the future. In that way it will get internal support and will be stimulating, motivating and create engagement in the organization.[31]

According to Roos, von Krogh and Roos (1998) development of a clear vision starts by evaluating company's current position. Process like this starts by asking the question: "What kind of business are we doing today?" and to be able to answer this question the management has to evaluate company's present size, spreadness, different activity areas, products and markets. This kind of analysis gives a picture of company's intensity and character but it also makes it possible for management to see if there is difference between where company is today and where it would like to be. These differences will later play great role for company when choosing the way and develop.

Some of the most important relations in this process are shown in figure 1.
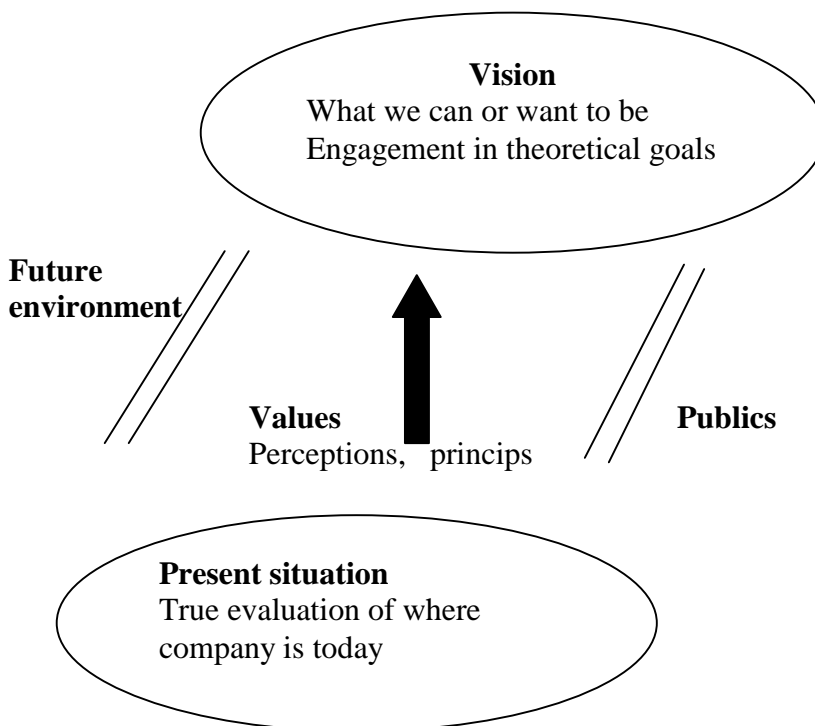

Figure 1. Creation of a vision[32]

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[31] Roos, Göran & Von Krogh, Georg & Roos Johan *Strategi,* (1998)
[32] Ibid.

3.1.2 Mission statement

"A mission statement is a statement of the organization's purpose – what it wants to accomplish in the large environment. A clear mission statement acts as an 'invisible hand' that guides people in the organization."[33]
According to Armstrong and Kotler (1999) when management feels that the company is going the way it is not meant to, it must once again search for its purpose. Then it is time to ask some question, as for example: What is our business?, Who is the customer? etc, that helps finding out what company's purpose is and that helps management develop formal mission statement. Further on they also write about, several other demands on a mission. A mission should according to Armstrong and Kotler (1999) be market oriented since fundamental customer needs will always be there while technology and products become outdated. Also missions should be realistic, specific, should fit the market environment, distinctive competencies and finally, it should be motivating.

Griffith, A. David and Palmer W. Jonathan, (1999) have made up their own model explaining what vision consists of. They have divided vision in two big parts, core ideology and envisioned future. In this model they refer to mission as "core purpose" which together with core values is making core ideology.

Griffith and Palmer (1999) consider that *core purpose* should explain the reason for company's resistance; it should capture its soul. Furthermore purpose should not be confused with specific goals or business strategies since purpose should last at least 100 years and strategies and goals should change many times in 100 years. Examples of some well known companies´ purposes are: Disney – "To make people happy", Nike – " To experience the emotion of the competition, winning, and crushing competitors", Sony – "To experience the joy of advancing and applying technology for the benefit of the public".
One other distinction between strategies and organizations purpose according to Griffith and Palmer is that strategies and goals should be completed and reached, but purpose should be like a guiding star which is always followed but never reached. Although core purpose never should change, it should inspire changes.

3.1.3 Goals

According to Armstrong and Kotler (1999), when mission statement is developed it is time to turn it in to detailed objectives that will use as a support for managers on different levels. Goals of the company should precise and operational the vision.[34] These goals should handle specific details as much as possible. As for example objective to " decrease costs" is less useful as objective to "decrease costs by 10% by the end of two year period".[35] Formulating goals has several advantages since it gives practical guidance by decisions, it sends signals to different actors and is helping to personalize the company. Goals can be on many different levels that are further on broken into several smaller goals.[36]

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[33] Armstrong & Kotler (1999)
[34] Roos, Von Krogh & Roos (1998)
[35] Armstrong & Kotler (1999)
[36] Ibid.

There is further on difference between **open goals** that are usually long term and **closed goals** that are usually short term. Example of open goal is "maximize market share" while example of closed goal is " achieve market share of 31%".
Further on there is also a difference between short- and long-term goals where short-term goals are usually one year and should be achieved within that period but of course, what is short and long time is different from company to company and from branch to branch.[37]

3.1.4 Communicating the strategic vision

Thompson and Strickland (2001) mean that the new vision is supposed to engage employees at all levels within a company. It should be written in a language that is enthusiastic and that engages people. It should be vivid and exciting, it should wake up peoples emotions and motivate. Further on, Thompson and Strickland believe that language used when formulating strategic vision is very important. For example "laying stones" is much less engaging, motivating and inspiring then "building a cathedral". Further on, they believe that big, difficult and featureless words as well as clichés can be a turn-off more then a turn-on.
It is according to Thompson and Strickland (2001) also important for executives to make employees understand and accept this new vision. If not, this can bring problems as employees will be resistant to change which will make it harder to move company towards new vision and goals. When putting the vision statement in writing it is best to keep it simple and clear, not using more words then necessary. "A crisp, clear, often-repeated, inspiring strategic vision has the power to turn heads in the intended direction and create a unified organizational march."[38]

3.2 Image and identity

When talking about a company's internal and external representation many different expressions are used. Brand, personality, image and identity are those requisites that are used mainly but most of the time these words are not used in correct way. For that reason and to be able to understand further discussion of this thesis I will in this chapter explain the meaning of each one of these terms. This chapter is very much based on theories written by David Bernstein.

3.2.1 Personality

According to Fill (2002) corporate personality can be defined as assembled company specific characteristics from which the profile is generated.[39]
Personality is a part of company and so when customer is buying a product he is also "buying" whole company including personality.[40]

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[37] Ibid.
[38] Thompson and Strickland, *Crafting and executing strategy* (2001)
[39] Fill, Chris *Marketing Communications: contexts, strategies and applications,* (2002)
[40] Bernstein, David, *Company image and reality* (1984)

Fill (2002) is further on broadening this explanation by clarifying that corporate personality is explaining what company really is. According to Encyclopedia Britannica personality is: " The sum of the characteristics of the individual.".

Company can always determine what personality should be and which elements should make part of it and further on, if successful, company can even create this personality. When company already has a personality it can change it. When changing personality company first has to be clear about what its current personality is. In order to achieve this, questions about how company is considered, what it is like and what it does should be posed to its audience, management and staff. In case of disclosure company has to decide weather to continue with discovered personality or make certain adjustments. But it should not count on being able to completely change personality without starting from the beginning. Solutions and adjustments to the problem depends of course on what kind of problem there is, image-, identity- or personality problem.[41]

Personality is also very important when it comes to company identity. The fact is that company has to have clear picture of its personality in order to communicate right company identity.[42] Company will choose the identity that will in best way express its personality.[43]

"Personality made manifest by identity is perceived as image. And it dwells where imagination dwells. It is appropriate that imagination should be called in to diagnose personality. It could help avoid a subsequent mismatch of personality and image."[44]

Here follows a simple enlightenment of which are the basic meanings of corporate personality, corporate identity and corporate image:

| Corporate personality | → | Corporate identity | → | Corporate image |
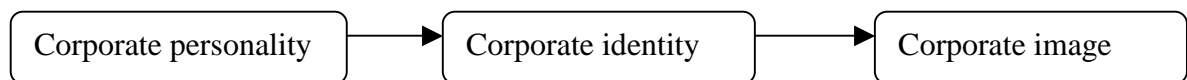
Corporate personality – what company really is.

Corporate identity (profile) – what signals company want to send to the public outside of the company.

Corporate image – how the company is excepted by the consumers and other publics outside the company.

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[41] Bernstein (1984)
[42] Fill, Chris (2002)
[43] Bernstein (1984)
[44] Ibid.

3.2.2 Image

According to David Bernstein (1984) company/brand image is mixture of company's products, advertising, packaging, corporate identity, impressions, beliefs, feelings and knowledge that people have experienced and that have helped them to create a company image in their minds.

The synthesis of particular benefits, the emphases, the way the total product is presented can, according to David Ogilvy, be called "brand image". "The image can never be more important than the brand, but the brand may be nothing without its image and can never be divorced from it."[45] "The image is not a single entity and is difficult to make tangible. It is an impression which the consumer perceives of the brand, a synthesis of many impressions as a direct or indirect result of a variety of signals transmitted by the brand (and perhaps the company) of which the advertising is one."[46]
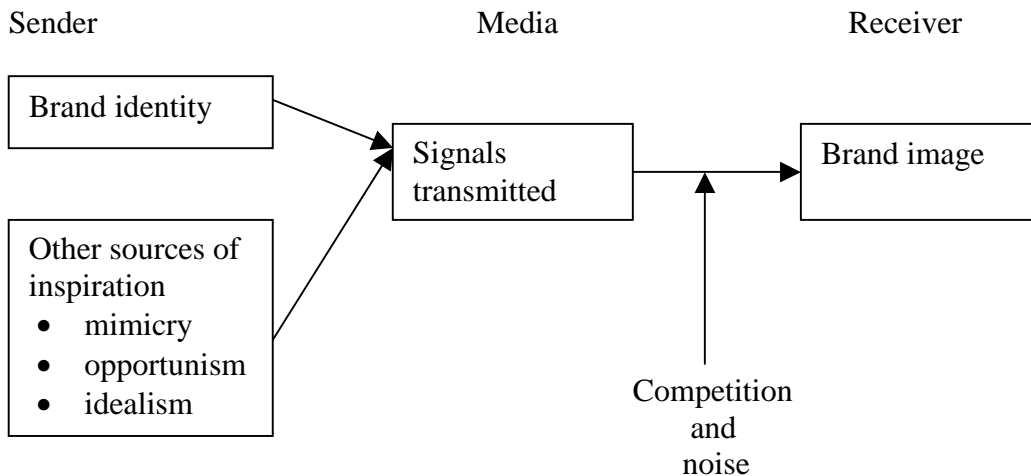
Sender	Media	Receiver

Brand identity

Other sources of inspiration
- mimicry
- opportunism
- idealism

Signals transmitted

Brand image

Competition and noise

Figure 2. Identity and image[47]

A company's communications skills and how well information reaches the intended listener is a main factor in the development of its image. Companies communicate whether they want to or not which on the other hand leads to different interpretations which may or may not be valid. In the fast world of businesses the impressions created are important. For this reason it is important that companies are aware that communication is responsibility of the communicator; any misconception or misinterpretation is fault of the transmitter and not the receiver.[48]

According to Bernstein (1984) one other very important thing to think about when it comes to communication is that it is easy for a company to communicate too

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[45] Bernstein (1984)

[46] Ibid.

[47] Kapferer, J.N. *Strategic Brand Management* (1999), p. 95

[48] Bernstein (1984)

little but almost impossible to communicate too much. Studies have shown that familiarity with a company leads to favour ability, meaning that the best known industries are those to which the public is constantly exposed through advertising, product use, and everyday experiences.

For an organization, extended or small, it is difficult to show same image to different publics that it has. Diverse partners are interested in diverse things and as an example we can think of a corporation that must present itself as profitable to investors and at the meantime offer good value for money to its customers. To show totally separate images would be chaotic therefore company has to choose images where each one of these is containing an aspect of a central image and in this way these "different" images will support each other. To succeed with this, company has to decide what its core image will be and also be aware of the fact that not all of its publics will be understanding.[49]

Other thing to consider is that it is not easy to separate corporate image from that of the company's brands.[50] Using each product or different brand (within same company) to give knowledge of the whole corporation is trying to uphold a consistent image of the corporation. This means for example having corporation's logo on every package of its diverse products.[51]

According to Bernstein (1984) identity, personality, character and impression are just some of the words that different companies treat as synonyms for image. They are mainly referring to the transmitter which is trying to assess how his/her own signals are being received by the intended public. In most cases they are used as words to differentiate what the company really does and how it is perceived, as two linked but detachable entities. It is this ability to treat image as detachable from reality which creates the conflicts between customer expectations and the actual company product.[52]

The image of a company is, as mentioned above, made up of many different elements. Some may be more important than others, but what is true about any image, be it a person or company, is that the first impression is sharpest and very difficult to erase or substitute, especially if negative. Since this first impression lasts it is very important that a company is consistent in its marketing from the beginning. Then these early impressions will probably help to create image in people's minds that firm wants. This will, in further relations be considered as correct and will consequently do well.[53]

In case of inconsistence in company's messages, first impression created will not be complete and any additional information will generally only contribute to intensify the image we have already constructed. There will be need for "making up" with supplementary messages. The more contradictory this communication is, the harder it will be to form "right" image in peoples minds. Cumulative effect of successive transmissions of similar identities projects a consistent image, whereas

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[49] Bernstein (1984)
[50] More about this is to be explained in chapter "Communication"
[51] Bernstein (1984)
[52] Ibid.
[53] Ibid.

visualisation of the company's characteristics by means of the systematic presentation of all the company's equipment, services and buildings."

Corporate identity is often in customers minds related to company's logo or symbol. This "sign" becomes company's facade and represents what company stands for. The fact is that these pictures or an outline that symbolize logo does by them selves not mean anything so in customers minds they are connected to company values. When customers see company's logo on a package they will connect this product to previous products with same logo. This symbol becomes part of branding process, process where firm is creating image in customers' heads.[59]

To better and easier be able to understand different definitions connected to this subject, here follows some explanations of these expressions according to Christian Grönross (2000):

- *Definition of brand* (often used in books): " A name, sign, symbol or any other feature that identifies one seller's product or service as distinct from those of other sellers."

- *Brand* - identity of a good/service marketer wants to create.

- *Brand image* – image of good/service formed in customer's mind.

- *Brand/corporate identity* - image of the brand/company marketer wants to create.

- *Branding* - process of creating this image.

- *Brand relationships* - are made between customer and brand emerges. These are made trough several channels: service messages, planned communication messages, product messages etc.

- *Brand value* - Customer's perception of how valuable a given good, service or solution is to him in comparison with other alternatives.

- *How to create brand relationship?*

  By: *Physical goods* – marketing communication
  Service – planning and managing service processes
  - importance of a supportive culture
  - brand identity

[59] Bernstein (1084)

3.3 Communication

Corporate advertising stands midway between product advertising and political advertising. It shares the commercial purpose of product advertising but, like political advertisement, promotes not products but human beings. One important difference between corporate and product advertising is the fact that "image" can be built into a product, but can only be adjusted for a company. A product is artificial whereas a company is artificial only in the legal sense. The product can be totally fabricated. We can decide at the outset what impression we wish our particular audience to perceive of our product, what characteristics it has which differentiate it from the competition, how it should be positioned in the mind of the public. Furthermore, it is relatively simple to ensure that the correct image signals are being sent- through packaging, display, point of sale and advertising. The image, we might say, is under control. Of course it must be related to the reality of the product, but in new product development we may decide to concentrate on the image first and construct a product to fit.[60]

The situation is very different in corporate communications. The company precedes the image and the degree of control is minimal. Reality is in charge, which in other words means that company image is less easily controlled whereas product image is easier to manipulate. Company image is determined by performance. What the company does and believes determines how it is perceived. The company must ensure that the company's actions and beliefs are correctly communicated and that all messages and signals coming from the company are consistent.[61]

If we go back to the original meaning of image as a "visual representation of reality" we might find it a bit contradicting to the information above. However we must observe that today it commonly means a fabrication or public impression created to appeal to the audience rather than to reproduce reality: it implies a degree of falseness insofar as the reality rarely matches up to the image. In this sense we talk about the image of a consumer product or politician. We could say that the relationship between image and reality should be that of cream and milk.[62]

We must be concerned with image, not because we want to manufacture it but because we need to discern how our signals are being received, and how those perceptions square with our self-image. We must emphasize that image cannot be manufactured, it can only be perceived. What we can do something about is the company identity. We must however be aware that the way a company is perceived may be different to the way the company wants or does behave, and that it can be difficult to start doing something about it when our previous image creates an obstacle for repositioning.[63]
Graham Kemp came up with a definition for company communication where he describes it as " people who talk with people and understand each other".

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[60] Bernstein
[61] Ibid.
[62] Ibid.
[63] Ibid.

3.4 Brand

3.4.1 History of brand

So what is brand more precisely except from "identity of a goods/service marketer wants to create"?

English word brand is originally coming from old Nordic word "brandr" and means in translation "to brand" or "to mark". Way of branding has changed throughout its existence and the first actual signs of this phenomenon started with cattle, earthen vessels and Egyptian buildings. But it might be said that today's core purpose of branding has stayed the same ever since the commerce between countries around Mediterranean happened. By that time producers and buyers could not keep contact as easily and to be able to know where and from whom the goods are coming from, producers started to mark their merchandise.

Since then brand has in succession got bigger and bigger role in the life of consumers, producers, companies and business industries. Accordingly the really big smash of brand came during 1990's and throughout this period the market got familiar with various definitions that were linked to the brand like for example: brand equity, brand management etc.[64]

3.4.2 Definition

When term trademark or brand is to be defined difference must be made between the legal aspect and commercial aspect. In English the difference between these two words is that trademark is used as juridical term while brand is mostly used as a commercial term.[65]

According to the Swedish trademark law's definition, (VmL, Varumärkeslagen), there are two basic criteria that has to be fulfilled in order to name a logo or name a trade mark and further on to be able to get it registered and protected by law. These criteria point out that it must be possible to reproduce trademark graphically and also it must be possible to differ it from other trademarks. This means that besides from letters, numbers, words, slogans and figures trademark can also be a taste or sound as long as it can be reproduced graphically.[66]

The World Organization for Industrial Property is using this legal description of a brand: ´A symbol serving to distinguish the products or the services of one company from those of another´. Accordingly brand is globally serving to distinguish different products from each other and to indicate a product's origin.[67]

3.4.3 Which roles does brand have?

At the present time brand has achieved its peak and is more important to companies then ever. Brand plays nowadays many different but central roles in a

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[64] Melin, F. *Om konsten att utveckla starka varumärken* (1999)
[65] Melin, Frans *Varumärket som strategiskt konkurrensmedel: Om konsten att bygga upp starka varumärken* (1997)
[66] Ibid.
[67] Kapferer, J.N. (1999)

business and these roles are creating and adding supplementary value for a company.[68]

More than just a name

Philip Kotler, who has build up many standards within marketing, describe brand like this: "A name, term, sign, symbol, or design, or a combination of them, which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors."[69] However it is important to not only think of a brand as a name. Name is necessary but it is not enough as a base for a brand. Name or symbol is something that customers can recognize but it can not make any associations with this symbol. To be able to do so the customer has to have some kind of experience of the company. First when having an experience client is able to associate name, symbol and logo with his qualified actions of this firm. Therefore there are many diverse definitions of what brand is but these depends on what kind of value brand is delivering and what kind of product we are talking about.[70]

Information carrier

As it has been from the beginning of the history of the brand, one of its basic purposes still today is its function of a quality signal for the customer. This signal is supposed to give customer concrete facts about the product as well to make it clear for the customer who made the product and from whom it is coming from. Shortly, brand is working as a quality assurance. This kind of information about the product that is based on concrete facts is usually transferred by rational arguments. If customer likes particular product of one brand he will most probable continue to use this particular product by this brand and he will also associate this brand with this product. [71]

As an example we can imagine that customer drinks a can of Coca-Cola and he likes it. Now customer can make associations between brand and what brand is offering him. Most probable he will then use and think of brand Coca-Cola when buying sparkling soft drinks. If every can produced by Coca-Cola would have different content the brand would not give him any clue of what he can expect and he would not either any more have use of those association he had.

As well the same mind thinking can be used when talking about relationship within businesses. If a company not longer can be sure that its distributors will deliver components and products it is most credible that the company will search for new distributors.[72] This is one way that shows how brand is transferring information from producer to client.

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[68] Ibid.
[69] Kotler, P. *Marketing Management: Analysing, planning and control* (1980)
[70] Aaker (1996)
[71] Håkansson, Per & Wahlund, Rickard. *Varumärken: Från teori till praktik* (1996)
[72] Ibid.

Identity carrier and positioning tool

Companies that owns their brand are using this brand as information carrier but also as an opportunity to create an identity carrier.[73] This brand can be unique by means of its logo, name, colors, history etc. Further on, as in most of the cases, marketer will use this brand to create the image of the company. Therefore it is very important that this logo is representing company in same way as marketer wish company to be seen in the eyes and minds of customers. As an example we can think of a logo with dark colors that is supposed to represent fresh and funny company. The information that consumer absorbs about the brand is both emotional and rational and therefore brand has also a symbolic meaning, which plays a great deal for image of the brand.[74] Brand is therefore also sophisticated way of marketing and is based on emotional facts.

Also marketer can use brand as a positioning tool that will be adapted to chosen customer target group.[75]

Loyalty builder and Competitive advantage

To build customer loyalty it is necessary for the company to have a strong brand and that the brand together with the product is offering customer a value. One of the most important functions of the brand is that it is giving opportunity to the owner of the brand to communicate directly with the consumer without having to go trough detailers.[76] This function of a brand is significant since communicating directly with customers gives the owner of the brand greater opportunity to hereby create brand/corporate identity as it whishes. When achieving loyalty from clients which indicates a strong and stable position of the brand, company will also find a place in a market and may consequently achieve a prevailing position towards its concurrents. As a result company will also have stronger position towards all of actors in the market including detailers.[77] If a company has by positioning achieved customer loyalty then there is an opportunity to use this fact as a competitive force in order to obtain a competitive advantage. Customer loyalty, stability, strength and uniqueness of the brand gives as well opportunities to increasing returns. What's more this gives chance to use created inner value of the brand for, for example, licensing or brand extension.[78] Further on it is essential that firm keep customers that it once attracted by its brand since keeping clients costs much less then attracting new.[79]

Time, risk and money saver

As well as brand has function of information carrier it also has big role in cases where customer is to buy a product that he is unfamiliar with. Customer is most likely to choose product from a brand that he can associate with and that he

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[73] Melin (1997)

[74] Biel, A.L. *How brand image drives brand equity*, Journal of advertising Research 32(6):6-12. (1992)

[75] Melin (1997)

[76] Ibid.

[77] Ibid.

[78] Ibid.

[79] Aaker, D. Building Strong brands (1996)

recognizes and has good experience of. This will lower risk and save client time and money since he will not need to search information about this particular product. These arguments are specially important when we are talking about expensive products as for example designer clothes, cars and technology stuff. In these cases of pricey products client will be more confident about purchase of a product by brand that he is familiar with.[80]

Brand will save time and money for the client even in case where he is put in situation of making choice between many different products and brands. Brand is in this case helping client to identify these various products and by using brand that he is familiar with as a starting point the process of selection will be much easier for the customer.[81]

Differentiation

The data that brand is sending us is supposed to assure the customers as well to add value and also in some cases to justify the higher price of the product. By attaching word "goodwill" to Philip Kotler's definition of brand (see page 9) makes it possible to understand concept of brand from a more psychological aspect. Looking at it from this angle some brands are offering a sort of differentiation to its customers and this differentiation is adding value in many different forms. Client can perceive both rational and emotional facts about brand and this gives a very symbolic meaning to that same brand.[82] This is a major task for creation of brand's image. Importance of this image of the brand most repeatedly comes up when it comes to exclusive branded products. Client want to be seen as of one kind and image of the brand helps him to achieve this, so to say customers are using brand's image to be socially accepted. As well this is used to elevate clients' self esteem and to make them feel better about them selves.[83]

Example of this sort of brand differentiation is designer clothes which most of the time are not bought for extremely good quality but to mark superiority, to mark what social class we belong to, what kind of people we are, what style we prefer, that we are following the fashion, that we have money, that we are of a "special kind". Of course this value is offered more by some products then others but symbolic marketing has even entered into food industry.[84]

Entry barrier as well as opportunity

Brands also have a high value for a business because they are functioning as an entry barrier for other companies in the same market. Studies have shown that knowledge of a brand and brand loyalty are making part of most important entry barriers. On the other hand well known brand can as well present good establishment opportunities since an acquisition of a company with strong brand offers a shortcut to the market.[85]

Further more brand can also act as a protection against imitators and competitors

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[80] Melin (1997)
[81] Biel (1992)
[82] Biel (1992)
[83] Melin (1997)
[84] Trosslöv Aronsson, A. *Self-Extension though Consumption. Thesis Proposal, Lund University* (1997)
[85] Melin (1997)

as well as it is used as a strategic way of getting power over distribution systems. But this power can also easily withdraw since middle hands are developing their own brands.[86]

As the fact is, brand means a huge deal in a company success today. Therefore a firm should put brand making and image making at least side by side with all other success making factors.

3.5 Positioning

Positioning has been one of central terms in marketing for the past 30 years and is still today. Therefore high priority is given the process of positioning within many companies.[87] There are several different explanations and several different angles from which positioning can be distinguished.

3.5.1 Definition

According to Doyle (1998) positioning is about company's choice of market segment that is telling us where the company is competing and which differentiation attributes it has chosen. The position that firm will try to acquire must accord to the quality and attributes offered by that same firm. This position is a tool by which company creates brand/corporate identity. Further on, there has to be financial resources which will enable company to compete within a chosen segment.

3.5.2 What positioning is about

According to Hooley & Saunders (1993) positioning is providing a bridge between the company and its target customers and has therefore central role within marketing. Further on this position is describing to the customers in which way company is different from its competitors.[88]

Further on according to Melin (1999) basic condition for implementing a successful positioning is making a core competence analysis and by that realizes which attribute is bringing brand's most essential benefits. By doing this analysis company can see if it is possible to compete with their brand and if they can further on create a position for that brand in customers mind.[89]

Having and knowing company's core competences, company should as a next step develop "unique selling proposition", an idea that already in 1950´s showed importance of competing by advantages that can be offered to customers. In this positioning a unique competitive advantage (that is based on core competence) is together with the trademark and slogan making part of the main message in company's communication. As an example Volvo is mentioned: "Volvo – the safe car" which includes both trademark, USP and generic term. The point is to

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[86] Ibid.
[87] Melin (1997)
[88] Hooley, Graham J & Saunders John. *Competitive Positioning: The key to market success* (1993)
[89] Melin, F. (1999)

connect the brand with USP so when one of these is mentioned the other one is supposed to pop up in customers mind immediately. Core competence has to be transformed into terms that will make customer understand value it gets by this competence.[90]

Positioning is a part of brand creation within the company and the company is doing this in order to create an exclusive position in the mind of the customers. The goal with active positioning is brand becoming the most known within its category[91] and so brand can further on create value for the company as it becomes an asset.[92]

3.5.3 Knowing your position

Within positioning lies the origin of positioning research and to be able to understand company's position there is therefore need to go trough positioning research process that is made in several steps which are explained in figure 3.[93]

Determine the
competition

Determine
the competitive
dimensions

Determine
the competitors'
positions

Determine
the customer
positions

Determine the
positioning
decision

Track the
position
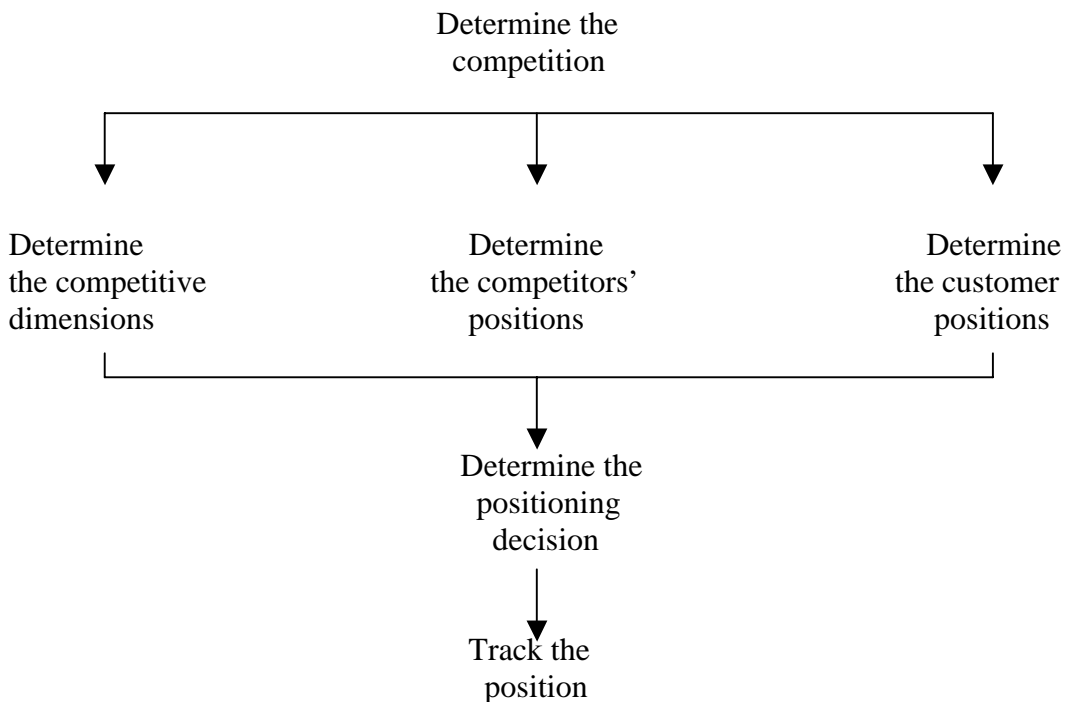
Figure 3. The positioning research process"[94]

Several of these steps are in my opinion important for repositioning process and I will therefore explain them in more details.
Part of position analysis consists of determination of competitor's positions and determinations of the competitive domain.[95]

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[90] Ibid.
[91] Melin (1997)
[92] Aaker (1996)
[93] Hooley and Saunders (1993)
[94] Ibid.
[95] Ibid.

Determination of *competitor's positions* means finding out how customers are experiencing the company in comparison to other similar and dissimilar companies within the same category. Therefore company's can be put on perceptual map of product positions which shows which are direct competitors and which are not.[96]

There is also determination of *competitive domain* and this part of the process can be done in different manners. On of these is about customers going trough those similar and dissimilar products from determination of competitors' position and then deciding what makes them similar and dissimilar. In this way dimensions of perceptual space for these companies are determined. Examples from book of these dimensions for leisure parks were: noisy, good food, big rides, for all the family etc.[97]

After these two researches a map of product positions and dimensions can look like this:
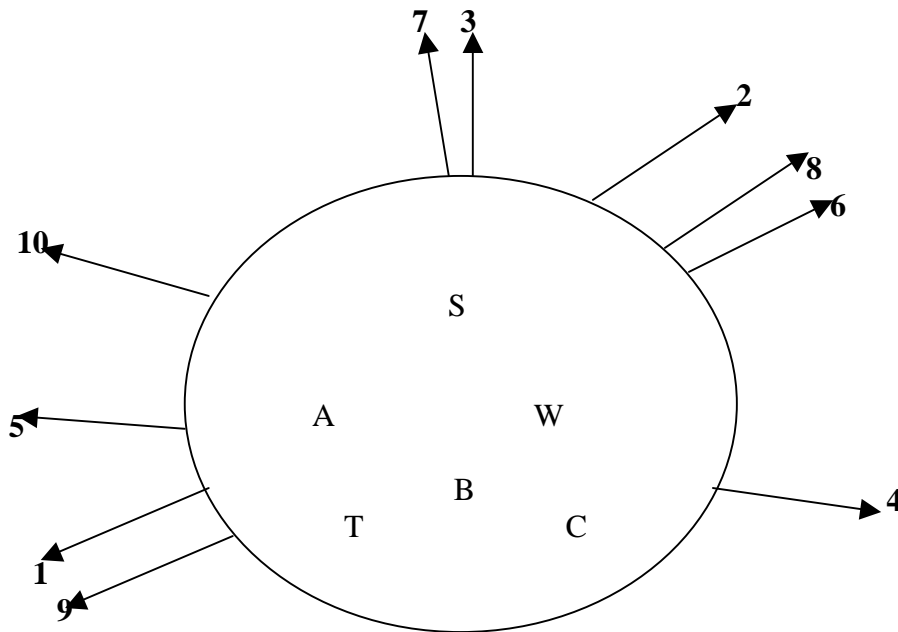
Figure 4
"Perceptual map of product positions and dimensions"[98]

where numbers are different dimensions mentioned before; good food, sophisticated etc and where letters are representing different leisure parks included in the research. Map shows for ex. that park C (Chatsworth) is most sophisticated (sophisticated is marked by number 4) followed by W (Warwick Castle), B (Belton house), S (Woburn Safari Park) etc

There are many alternative ways of conducting this research process according to Hooley and Saunders (1993) but central to this process are several computer

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[96] Ibid.
[97] Ibid.
[98] Ibid.

programs which are appropriate to gather data. Different ways of conducting the research are followed by different problems and are giving different results.

3.5.4 Parts of a brand position

Position of a brand consist of many different parts and each one of these has to be handled carefully in order to succeed with the process of positioning. Aaker has in model "Brand Position" explained these different parts.[99]

Subset of Identity /Value Proposition
-Core Identity
-Points of Leverage
-Key Benefits

Target Audience

-Primary

-Secondary

BRAND POSITION

Actively Communicate
-Augment the Image
-Reinforce the Image
-Diffuse the Image

Create Advantage

-Points of superiority
-Points of Parity
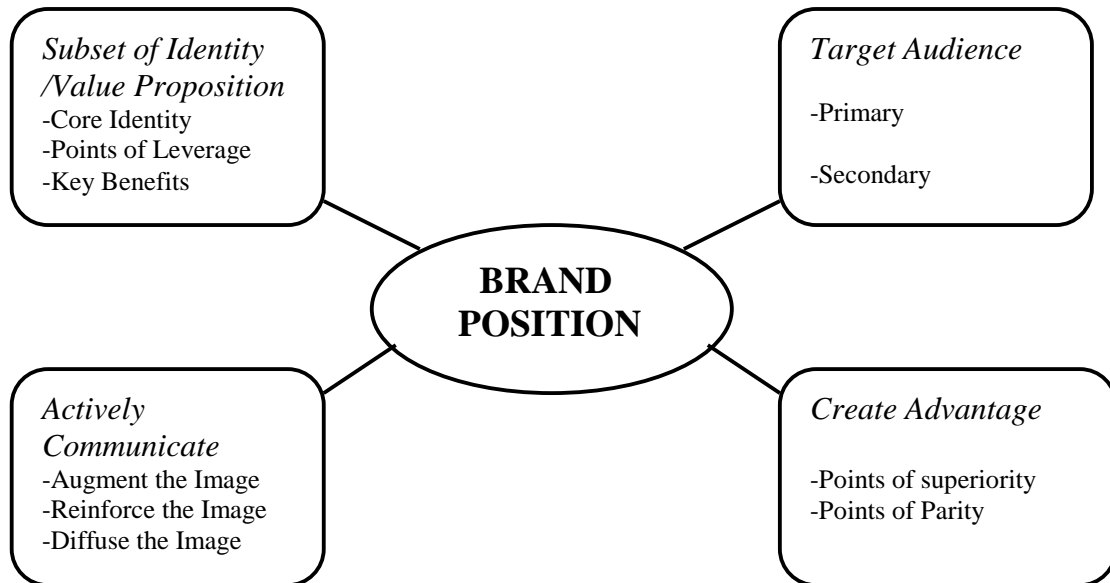
Figure 5. Brand Position"[100]

Subset of Identity/Value Proposition

For a company it is extremely crucial to develop and understand the core identity since this is not changing over the time[101] and company should decide which parts of the identity that should be communicated to the customers since the identity of the brand and its core value may be the basis of brand positioning.[102] The identity is what differentiate one brand from other brand and the most unique part of a brand is what is represented by the core value. Therefore it is important for company to constantly communicate this identity during the positioning process in order to be sure of pointing out right parts of the brand and give it a position that brand can live up to.[103]

The brand also have to communicate to the customers and inform of which advantages it is offering. Both functional and emotional benefits used may help to position brand in customers' mind by pointing out something exclusive by this

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[99] Aaker (1996)
[100] Aaker (1996)
[101] Melin (1999)
[102] Aaker (1996)
[103] Ibid.

brand. This can lead to a very good relationship between the brand and customers and brand loyalty may be achieved.[104]

According to Melin (1999) a core value should be able to communicate, valuable, hard to imitate and unique. An analysis of the core value can help the company to identify those parts of the brand that are differentiating one product from another and that customers believe are satisfying their needs and is offering them more worth which can consequently lead to brand loyalty. Making this analysis and finding differentiating part makes it easier to express to the customers the value of the product and that will help the brand stand out from its concurrents when communicating on the market.

Create Advantage

Quality and innovation are two core values that customers usually find important but it is essential that company offer and point out advantages that can keep superiority during long time since positioning is a costly and long time demanding process. [105]
What is more over important is that this superiority or advantage that company would like to show and offer is the same what customers find is significant. It is crucial that company get to know their chosen target group and understands which advantages offered by the products and the brand will please and satisfy them. If these factors and advantages are identified correctly it is also much more simple for the company to communicate with its customers and create a strong long time relationship.[106]
Positioning of a brand should help company to deliver its advantages to its customers in easier way. Company should communicate a position where company is better then the concurrents and this superiority should be based on the core value of the brand.[107]
But only pointing out attributes where company is superior and better then its concurrent brands may not be good if company can not live up to this and therefore it might be good to position equal as its strongest concurrent. Company can then point out advantages where it is alike other brands, usually market leading brands.[108]

Target audience

Usually companies find audience by segmenting the market by socio-economic, demographical, cultural and geographical factors.[109] But the fact is that not even a group picked out by the same segmentation factors may have same behaviour and needs. Target audience are company's possible customers and the company should know to which audience to turn to before entering the positioning process.[110]

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[104] Ibid.
[105] Ibid.
[106] Ibid.
[107] Melin (1999)
[108] Aaker (1996)
[109] Melin (1999)
[110] Kapferer (1999)

Fleur de Santé

Further on company does not have to turn and position towards the whole target group but only to a part of it. This selected part should be characterized by people belonging to a special group that the rest of the target audience would like to be alike. By positioning a brand in this kind of way, to special audience that will use as a reflection of the user imagined by the company, an image may be created. This image could then make the rest of the target audience want to be similar to these special chosen consumers and therefore the interest for the brand will be higher.[111]

Actively communicated

Importance of knowing and understanding what the brand, its identity and its image stands for is described in many books talking about positioning and brands. Company should be very much aware of what the image of the company is and how it is perceived by its customers. When positioning or repositioning a brand it is important not to forget about brand's image and what it is associated with since this can lead to the point where customers will not any longer recognize the brand. But often it is also important to be aware of what brand isn't and what it doesn't stands for in order no to communicate something that is not true and consistent with the brand. And it may also be like that that the image of the company is not at all alike the identity of the brand or how company would like it to be.[112]
Company has to know what image its brand has and how customers are perceiving the brand in order to change it or steer it in right direction. When comparing image with the identity company can discover where if there are some differences and also understand in which way to steer the communication with the purpose of influencing the image. Image can be manipulated by active communication to its customers of brand's position and advantages offered by the brand.[113]

Customers may have prejudices about a brand which may lead to that brand is reaching smaller target audience then the brand owner have had in mind. According to identity of a brand, a brand may be suitable to a larger group of customers from different segments then most of customers consider. By erasing prejudices about the brand that customers have and by adding some new associations to the image of the brand, brand owner may succeed and change the image of the brand so it can satisfy larger group of customers. The important thing is to offer satisfaction to more customers that would consider buying the brand and the products. But it is further on important that not the image of the brand is deciding its position but the identity since this would in the end mean that customers are deciding the position of the brand.[114]

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[111] Aaker (1996)
[112] Ibid.
[113] Ibid.
[114] Ibid.

3.5.5 Positioning strategies

When Melin (1999) talks about positioning in connection with branding, he is then talking about two kinds of positioning. The first one is external positioning which is about creating or reserving a place in customers mind for company's brand.

External positioning

A brand can have different levels of engagement and awareness in a mind of a customer. A brand can be "top of mind"[115] which means that this is the brand that customer first thinks of when mentioning a specific product category and is also the brand that customer usually buys. Awareness can also be "unaided" which measures how much a brand is spontaneously associated with a certain product category in the mind of customer, when mentioned. And finally awareness of a brand can be "aided", which implies that customers must be asked if they have ever heard about particular brand to be able to remember it.[116]

Each type of these three awareness has different purpose therefore it is not implied that goal of every brand is to be "top of mind". For some companies it is enough that their brand is reassuring or "aided" while ambition of some others is to be one of the few brands that comes to customers mind directly when product category is mentioned.[117]

One of brand owners principal duties is to engage customers and make them aware of the brand. When it comes to the daily products customer engagement is not very high and when marketing this type of products the information has to be given to the customer while expensive products are usually more committing and complex, customer will search for information on his own. The major variables that can change the level of engagement are: personal interests, experienced risk, worth of symbol and the level of enjoyment. By influencing these factors brand owner has possibility to higher or lower engagement level.[118]

Internal positioning

The second kind of positioning that Melin (1999) talks about is internal one, referring to creating a place for a brand within a mind of the organisation.

By internal positioning of a brand, employees can easily understand what the brand stands for and which competitive advantages it has comparing to the competitors. Explanation and clear communication of brand identity to the employees will contribute to higher understanding and acceptance which will give more energy and motivation to the whole organisation.[119]

Internal positioning is important for branded products but mostly for service branded products since here employees are those who are expressing the identity of the brand.

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[115] Kapferer (1999)
[116] Ibid.
[117] Ibid.
[118] Melin (1997)
[119] Melin (1999)

Melin (1999) also means that position can also be changed, loosed or strengthened, by either giving prominence to firm's own crucial differentiation or adding some new attributes or by giving attention to competitors deficiencies.

Further on there are, according to Melin (1999) three different ways of external positioning; finding a new position, developing the all ready existing position or try taking over position from leading concurrent. These tree ways can help the company to create an unique position and avoid to be a copy of an already existing product.

Develop existing position

When positioning a brand company can also choose to **develop an already existing position** that market leader brand is occupying. What is dangerous with positioning the same way as a leading brand within the same category is to loose parts of identity and uniqueness.[120] The new brand can then trying to develop its position by taking advantage of concurrents' already established position. Here Melin is taking rent-a-car firm, Avis, as an reality example. They use motto: "We're number two. We try harder." and tries in this way to use market leader's, Hertz, position and show that they are even more service oriented then company number one on the market.[121]

Attack market leader

Further on, as alternative number three, company can choose to **attack an already market leader** within a product category. This can for ex. be done trough marketing. In this case, company can uplift its own brand and in the same time doubt market leaders position.[122]

Being first

Being **first in a category** is probably the best way of creating a place within customers mind since in this case company can choose the position it would like to achieve.[123] Kapferer is in this case writing about first mover advantage. He means that often a brand that is first one on the market within a category many times can keep its leading position within the category several years after the introduction. Example of this case is for ex. when a new product is introduced to market and consumers have no other similar products to compare with. This first product becomes then a standard and all next coming products are compared with this standard which can lead to that this standard brand becomes a name for whole product category and becomes degenerated.[124]
Even though there already are concurrents within a category there are often several different positions among which company can choose between and find a position for its own brand. Melin is taking cars as an example where different car

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[120] Kapferer (1999)
[121] Melin (1999)
[122] Ibid.
[123] Melin (1999)
[124] Kapferer

brand have positioned in different ways BMW towards driving joy and Volvo towards security.[125]

No matter which position strategy company chooses does not play any role for the process of positioning that is to be done.

Before positioning it is very important that company carefully go trough which position company would like to achieve. This chosen position will further make part in customers image creating process in the company. If company would choose "wrong" position it would have to go trough process of repositioning that is demanding high timely and economically resources.[126]

3.6 Repositioning

According to Kotler (1996) there are three positioning alternatives to be considered: either to strengthen brands present position, to search new still unexploited position or as a third alternative to reposition.[127]

3.6.1 How to reposition and why?

When company is repositioning then it wants customers to see their brand with other eyes, in other words company wish to change the image of the brand but as mentioned before, image can not be changed, the only thing firm can actually change is its identity. Which reasons may there be for this change then?
Well, after reading the theory I have understood that there can be many explanations for taking this step since there are often different types of need that are creators of reposition or renewal process of a brand.

During their existence companies are upgrading and changing their brand identity which can some times lead to the point where identity and company's communication is not reaching target group that was intended from the start. In this case a repositioning should be done and to be able to recognize this type of situation it is necessary that company observes customers interest, sales figures and general impression of brand identity. Making sure that communication of the brand identity is right is not enough in order to be confident that it is still compelling our intended target group and company is keeping its market share. It is more over essential to follow the market development and adjustments on the market since situation and conditions are constantly changing. If it happens anyway that the brand is on its way to be outdated a repositioning can be a solution which will help to recuperate lost market shares.[128]
Sometimes a brand can be reaching smaller target group and market share then needed. In that case a change of the brand identity together with repositioning

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[125] Melin (1999)
[126] Melin & Urde (1991)
[127] Kotler (1996)
[128] Aaker (1996)

may be a solution and a step forward in order to increase potential customers and market share.[129]

One other reason for repositioning may be if a brand is by customers considered as boring and monotonous, even though with varying marketing communication. This can lead to diminishing consumers interest for this brand and consequently to the decreasing power of advertisements to reach intended customers. Then new positions must be found on the market and identity must be timely and fresh once more. One way of putting brand back on the track again can be done by letting a celebrity, sportsman, actor or singer to be a spokesman for the brand.[130]

According to Bernstein (1984) there is as well need for change when current identity is mistaken. Identity can be wrong if it is bemused with some other company or if message, name or design is unclear.

Some of other different needs may be changes in the industry, decline on market, new technology, increasing costs, new and stronger competitors, change of market needs etc.[131]

Rejuvenation and revitalisation

Kapferer (1999) talks about rejuvenation and revitalisation as two ways of repositioning a brand.

Rejuvenation stand for renewing and making brand younger. This is done by creating and producing new products that are more appropriate and will better satisfy market needs and not by advertising.[132] Rejuvenation of a brand is recommended when brand has been experienced as outdated or there has been a methodical decrease of market share with diminishing profits as consequence.[133]

Revitalisation is another type of change. In this case it is a change of a brand that has been experienced as obsolete and that has an identity that does not match with the one of its customers. In this case lost market share and customers can be regained by actively pointing out positive sides of a brand and cover negative ones.[134]

Repositioning a brand identity may be done by for ex. entering or finding new markets, focusing on new segments or finding new areas where product and technology may be applicable. By taking this step there is a possibility that identity can once again achieve status and get hold of place in customer mind.[135]

As I have wrote before there are many different reasons for why firms are repositioning therefore only two ways for this process are not enough and there should be more alternative ways in addition to rejuvenation and revitalisation. Maybe combination of both or some totally different ways where other factors will steer the reasons and process of repositioning.

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[129] Ibid.
[130] Aaker (1996)
[131] Bernstein (1984)
[132] Kapferer (1999)
[133] Ibid.
[134] Ibid.
[135] Ibid.

Some companies maybe need to change their competitive axes or competitive domain while some other companies maybe only need to move to another position but competing within same domain and with same attributes.

One way could be applied by firms that have an unclear identity and are perceived by customers and target audience as outdated and low quality brand. How should a company with these kind of problems act? Should it only change domains or should it compete with same attributes but just point them out differently? Would only advertising help them then to change their position when keeping same attributes? There are many questions that need answers and I will bring up further discussion about this in my analysis.

Company can change and reposition its identity but according to Bernstein (1984) this change must correspond with the degree of change within the company. When changing brand identity several questions ought to be considered. How much money does have to be invested for this step? And is this new identity going to be recognisable to old one? If not company can loose its loyal customers and then the question if it is worth the money has to be answered. Also there is an issue of how much more investments will be required for the reason of elevating communication which this change carries?

But the truth is that there is not any right or wrong way when it comes to repositioning of a brand in order to create different brand identity.

Company's are taking their own way, usually the one that they consider to be best and it is important to realize that repositioning process is very long and resource demanding. Repositioning of a brand take much longer time then only positioning but may also in some cases be facilitated. When there already exist place in customers mind for a specific brand, company "only" need to reposition it but on the other hand brand identity is hard matter to change. Clients are not easily fooled and will not take marketers word for granted. To change identity of a brand company has to persuade clients and to show with every detail that the new "look" offers everything what it stands for and little bit more than that.

There are obviously many reasons why repositioning should take place or at least be reconsidered but Aaker (1996) also believes that changing position too many times can be dangerous. If repositioning a brand identity without any signals of diminishing market share and customer interest, can make company appear as very fragile and even schizophrenic.

All this might discourage firms from even thinking of changing brand identity and there are many arguments for justifying their statically actions for example: "Recognition and reputations are difficult to build", "A lot of successful companies haven't changed *their* logo" [136]

Therefore there are many questions to think about when company is reconsidering reposition of the brand. One way is to justify already existing identity but then it can also take risky step of repositioning. And if decision is made and company is going reposition company has to think about which way to take and which way is

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[136] Bernstein (1984)

the right one. And even when deciding the way company can never be sure that this way will be successful.

3.7 Theoretical reference frame

The theoretical reference frame that I will follow in my analysis of Fleur de Santé consists of a combination of those theories that are presented in the theory chapter. In order to have a clear picture of analysis steps I have made a model from which an analysis can be done.
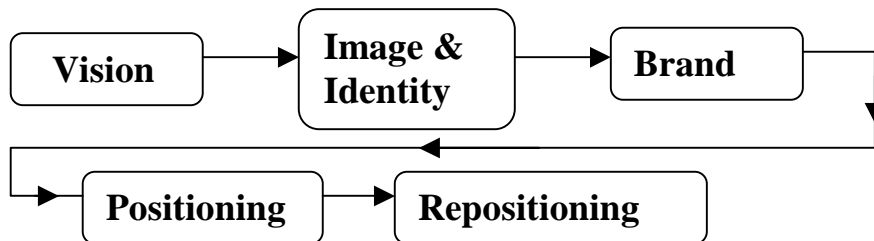
To have a clear strategic ***vision*** is very important condition for effective strategic leadership.[137] Precise vision and strategy are in one way or another making a base of a company and knowing these usually makes it easier to understand where to start and further on to find the way which will lead to the future and new targets.

Owner of the brand must be clear of brand's ***identity*** since this will play a huge role in the process of repositioning. When repositioning a brand, the owner will have to choose which parts of identity to draw attention to.
Also the ***image*** of a brand plays a big role in this repositioning process because image of a brand is the result of those signals, sent out by the company, that people have experienced.[138] Dependably on how image in customers minds conform with the identity, owner of the brand can choose to either strengthen, weaken or change this attitude so it can in better way match with the identity. [139]

According to Kotler (1980) ***brand*** can be a name, symbol, sign or a combination of these, which is intended to identify the goods or services of one seller or to differentiate it from goods of competitors. For the owner of a brand, brand does not only use as a name but can also be an identity carrier, source of competitive advantage and positioning tool for the company.[140] Thus brand can play big role in repositioning process and should be put side to side with all other success making factors.

According to Doyle (1998) ***positioning*** is showing us which market segment company has chosen which is further on telling us where the company is competing and which differentiation attributes it has chosen. When positioning a company there are two sorts of positioning to chose between, internal positioning and external positioning[141] whereas external one is about making brand awareness and brand engagement in peoples minds.

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[137] Thompson & Strickland (2001)
[138] Aaker (1996)
[139] Ibid.
[140] Melin (1997)
[141] Ibid.

Further on according to Kotler (1996) there are three positioning options to be considered: to strengthen brand's present position, to search new still unexploited position or to reposition.

Reasons for *repositioning* may be several, from the fact that the brand is reaching smaller target group and market share then intended to the fact that brand identity is confused with some other company. According to Bernstein (1984) there are also several questions to be considered before starting a process of reposition and it is important that this change correspond with the degree of change within the company. Although Kapferer talks about two ways of repositioning: rejuvenation and revitalisation, there are no big theories explaining how repositioning should be done and there are no exact hypothesis pointing out which steps to take and which ways are the right ones.

What is making part of all these steps is communication. Communication is always present and is important for each one of the repositioning steps since in a repositioning process it is not enough that only the owner of the brand is aware of differentiaional advantages and the identity of the brand. To be able to reposition a brand in customers minds, owner of the brand has got to be in touch with customers and to *communicate* the new position.[142] Using diverse forms of market communication the brand owner can reach the potential market group and give them an idea about the identity, the image and those advantages that the brand has. But it is crucial that the company can really offer what is promised in the advertisement.

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[142] Aaker (1996)

4 Fleur de Santé

This chapter starts by a shorter introduction about Fleur de Santé's history and how organization structure changed throughout the time. Further on it continues with enlightenment of production and sales and marketing. As a final point chapter finishes with Fleur de Santé's repositioning process and how this process will continue.
The whole chapter is based on the interview's made with Martin Tönneson as well on some information from Fleur de Santé's Webb site.

4.1 History

Company Fleur de Santé was started in Sweden, year 1980, by very successful person, Knut Vulf. This same man has also started corporation by name Pierre Robert and by that time these two companies begun revolutionary discovery within industry of herb cosmetics. Both of these companies worked actively within post ordering services as well as in distribution in shops.
Since then, Fleur de Santé have made part of various companies and different owners have been in charge of this firm throughout the years. From beginning it belonged to Ellos, post ordering business that is active still today. Afterwards it was sold to Pharma Nord and then to cosmetics corporation Oriflame, one of the biggest rivals at the moment.
Finally, in July 1999, company was taken over by Cydonia Development Group that is the owner still in the present day.

4.2 Organization now and then

Despite many years of decline this company has managed to be successful and effective once again. As today, Fleur de Santé is having a turnover of 100 millions Swedish crowns per year. There are about 45 employees who are dynamically working in different parts of Europe.

In the past, while belonging to Oriflame, Fleur de Santé has been active in foreign countries and other proprietors have expanded in Scandinavia. Since Cydonia took over, company has been active both in Finland and Denmark but is not longer today working in these countries.
In the beginning of the 90´s Fleur de Santé began to expand abroad and first in the beginning of this millennium it developed its relationships in the eastern Europe.
Today, main office that is directing operational process in Norway and Sweden, is situated in Malmö. Main offices responsible for rest of the Europe are located in Prag, Warszawa, St Petersburg and Budapest.

There are diverse sections that are organized inside the company while some others are outsourced. Workforce is taking care of R&D, market, economics and purchases.
Distribution and customers service is outsourced in all countries at the same time as fulfillment is outsourced in all countries except from Sweden.

Explicit strategy of this company is: "Selling natural products to customers trough post ordering services or directly." and the main target of the company are women between the age of 30 and 65 years.

4.3 Production and sales

Even though Fleur de Santé is selling products with their own trademark they are not producing these by themselves but are cooperating with other producers, called Lego producers, of cosmetic products available on the market. Producers with which the company is collaborating are all marked as GMP (General Manufacturing practice) and this means that they are approved as producers by the law. All the manufacturing is done within borders of European Union and by GMPs.

Sales are generally made trough post ordering in all countries where active except from Russia where the company has adapted to the different needs of the market and is only employing the most effective mean, home sales. Home sales, even called MLM, by consultants occurs even in some other countries. These women work without any middle hands and are getting a provision of the products that they actually sell.
In all these countries, packaging and fulfillment is outsourced.[143]

4.4 Marketing

Fleur de Santé is nowadays, and also since it is belonging to Cydonia Development, more or less not making any kind of other publicity except from direct marketing to the customers. This includes direct commercial material as free samples, information papers, special offers, post- ordering services and consulting services from cosmetics experts. As well customers are via mail offered special catalogues where all products and prices are represented.
The company has also made a small test project with TV-Shop. This means selling products trough TV where a presentation of some of the companies products is done and there are as well various special offers. The customer can then order these products via telephone. TV-Shop is also one type of post ordering services.

Probably in the future and as a long term project there will be more advertising of the trade mark, by means that offer marketing is giving but today marketing is

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[143] Fulfillment is not outsourced in Sweden.

concentrated to the customer. Potentially there will as well be some sort of demand marketing which will help to build and strengthen the new image of the company. Example of these type of marketing is weekly magazines, outdoor commercial etc.

4.5 Fleur de Santé's repositioning process

Even though belonging to a big grouping of companies, Cydonia Development Group, Fleur de Santé is a small independent entrepreneur firm. It is working in a business with a great growing potential which is one of the reasons why its work is not based on a long term goal basis but more over on shorter plans which are to be fulfilled.
Also, as very usual in big companies, at Fleur de Santé not so many things are stated and formulated into great and spectacular sentences, here it is more about knowing what, why and how.

But still the company is very concerned about their brand image and brand identity.
In the eyes of the partners they whish to be considered as a serious and professional company. The company that is successful but still caring and having a good relationship with their companions.
In the eyes of the customers the wish is to be seen and appreciated as company offering natural and high quality cosmetic products from Scandinavia for good and reasonable prices.

But there is a big difference between wishing something and actually making it being that way and before 1999 the company had very big economic problems and because of that the contacts with associates/distributors were not the best. This company has been seen in a very bad way by its customer and partners and it was on its way to fail

Before belonging to Cydonia Development, Fleur de Santé has been mail order company for a variety of different products. Here everything was sold from cosmetic products and napkins to bread roasts and coffee cans.
The outcome of this contributed that the image of the company was somewhat appalling and further on it gave a since of something inexpensive and shameful. Additionally this diversification gave a picture of a bad quality company. Low turnover and bad economy followed as consequences which also led to dreadful relationship with partners. Production costs were very high in comparison to the income made and the bankruptcy was almost a fact for several times.

Since 1980 until 1999 several different tries were done in order to make an explicit mission statement that would be a leading star for Fleur de Santé. Although continues attempts, this assignment was not done with great success.

The CEO, Martin Tönneson, was aware of this when started to work at Fleur de Santé but he believed that it was possible to change already known identity and

image of the company but he also believed that this is a long term process where time is playing one of the central roles. It is further on extremely important that the changes that are to be done also are done in reality, in the daily work of the company, in the interactions with customers and not only on the paper and by inventing those great and spectacular sentences with no meaning.

How it started

Then, in 1999, after becoming a part of Cydonia Development Group, the new heads of company were determined to, after many years of decline, make this company successful and attractive again.
New management realized that Fleur de Santé was in need of big change. Many things needed to be changed to be able to compete with other firms in the branch, to keep old customers and attract new ones but more then anything else, this company was in need of a more expressive message of what this brand stands for. One of the first changes being considered was creating new identity of the brand. It was to be more modern, clear, authenticate, explicit and expressive.
This new profile was also to be well and openly communicated to company's targeted customer. There was great need of a clear statement, both internal and external, which would make it much more easy to communicate with all partners. New management knew that this would not be an easy job since it is always much more difficult to create a clear statement for a company that has not been very successful.

Top management that consisted of CEO Martin Tönneson and new appointed director of product development, Ingrid Schellin began the job by gathering all the information and material about Fleur de Santé since 1980 which would help to recognize some kind of red thread throughout whole history of the company.
They sat down and brain stormed every idea and possible way to undertake. Then an outcast was made that was several times partly changed and followed up by new ideas. This process was going on during a long period of time , 2000 - 2003, and reason for this was that management was during that time as well focusing on the other ideas and parts of the company.

Product portfolio

First thing that was done was to give attention to company's products and these changes started by expanding and up dating then existing product portfolio. Expansion was made by adding and creating new products while up dating consisted in re-lancing some of the old but popular products. Packaging was also changed and this was used as a mean of communication to the customers. Many products stopped being produced and stocks of these have been sold.
Management considered it was very important to first go trough this part before starting to create new statement. They meant that if a company do not have anything to stand for and offer to its customers, it can not either have a clear statement.

Fleur de Santé

Creation of the statement

After revising product portfolio the real job with creating a statement began. Top management of Fleur de Santé agreed that **uniqueness** of this company should and will be based on its history, natural products and the brand.

History was chosen to be one stone on which this firm's uniqueness would lay on since company has been in cosmetics branch ever since 1980. Moreover, by that time, Fleur de Santé was pioneer in the branch.
Brand was the second ground for the uniqueness and here it was very important for the top management not to under any circumstances personify brand. The brand would not be connected to one person as it was to Knut Vulf when he started the company.

Further on, there should be an emphasize on uniqueness of products' **natural ingredients** and original formulas that has been worked out throughout company's long history.

In Eastern European countries, where company started businesses, Scandinavian countries are considered to be states of high quality and high standards. Taking this into consideration and also the fact that Fleur de Santé is a Swedish company, top management wanted to give emphasis and to be connected with Scandinavia in customers mind. Management believed that this would give a since of security in the eyes of customers.

After taking over Fleur de Santé in 1999, decision was made that the company should absolutely continue to be active in countries outside of Sweden. To be as good as possible, work of several different international companies was examined with intention of finding best way of being successful worldwide.
Using this as a base, decision was made that it would be best to do mission statement in English that would be international and that could be accepted by customers in all countries.
Help from external partners has been bring into the play and company's description, that was written in its product catalogue, of who it is and what it stands for was upgraded.
Further on, an English copywriter working for an external marketing company was engaged in order to form a statement in English and the leading line here was to use adjectives that would be connected to Swedish nature and also words like "latest", "modern" or "fresh" were to be used to emphasize Fleur de Santé's new image.
Even though new statement was to be international top management felt that there ought to be some modifications for the Russian market. Partly since culture was more different, partly because the company worked in a slightly different manner in Russia.

Therefore two different vision statements and two different tag lines were made:

Vision statement for Russia: "Our vision is to give women a beautiful, healthier, happier and more confident life!" "Together with our consultants we will create

successful people, that can build their own businesses and therefore financial independence."
Tag line for Russia: "Natural Cosmetics from Scandinavia."

Vision statement for other countries: "Our vision is to give women a beautiful, healthier, happier and more confident life!"
Tag line for other countries: " Natural Scandinavian beauty care."

New logo

After some changes and upgrading also new logo was made. The style of the letters was changed from classical to more modern and edgy. The color remained green, to be connected with nature, but the nuance of the color was changed from darker green to a light green color that gave more live full, fresher and modern impression.
The basket with flowers was replaced by a picture of a model with a typical Scandinavian looks.

Cooperation

Throughout whole process top management closely cooperated with the marketing company. To be as sure as possible of creating right and already set image, the company built its own in-house studio where all marketing material is produced. Using this studio is furthermore making production costs more effective. The printing side of the work is situated in Check republic.

Also, the mail ordering services have been breaded and more efficient trough new data systems that have been introduced in the whole company. Beside this, direct selling was also introduced as a part of changes.
As a support new means of marketing were employed and they were all adapted and organized so it could in best possible way reflect the new profile and changes that were made.

Target group

Brand is very important in traditional market where the most significant thing is to get the product out in the shop. But despite changes that Fleur de Santé went trough there were never any intentions of changing either their target group nor the way of keeping contact with the customers. Changes were done with purpose of moving company forward and making it more competitive on its market. It was still to reach their customers directly, by catalogues and direct sales and the target group was still women that did not have very much time nor money. The target group in Sweden and Norway were women at the average age of 43 while in Check and Hungary it was women in their mid thirties and over.

4.6 How does the process continue

For Fleur de Santé process of change is not over yet and it will never be.
In the future Fleur de Santé will seek to broad the existing product portfolio even more and to enter the market of health products and beauty accessories as for example. Furthermore there is a strive for entering the market for "bien être" products.

The CEO of Fleur de Santé, Martin Tönneson, believes that today, the brand identity they whish to have is pretty much the same as the one perceived by the customers and partners. But he also point out that it has not always been like this. Since then big efforts and changes have been made which contributed to a good and healthy relationship with the partners and also to a correct perceived brand identity.

5 Analysis

In this chapter I will analyze Fleur de Santé's repositioning process using the theories from chapter 3. As well, I will here bring up points and repositioning experience from the Interview made with Roland Sjölund at Oriflame.

5.1 Vision

After becoming a part of Cydonia Development Group and after deciding to make Fleur de Santé competitive and efficient once again new management sat down and made an attempt of creating a new vision for this company. Management knew that there was a need of big change and most of all that there was a need of a more expressive message. They also vaguely knew in which direction they wanted to move the company but before creating mission statement top management considered that it was more important to go trough and revise company's product portfolio. They believed that product portfolio should be updated first because if a company does not have anything to stand for and offer to its customers it can't either have a clear statement.[144]

Looking at the theory, clear vision and strategy are needed when changes are to be done in a company, "A successful change needs a successful vision[145]". Vision makes it easier to find the way which will lead to new targets and challenges.[146]

Here it is obvious that Fleur de Santé did not really followed the way that is recommended by to the theory. Consistent with the theory it is also important to know in which new course the company is headed and which parts of the company has to be changed in order to move towards new direction.

Therefore, maybe, revising product portfolio before making a clear statement and explanation of where company is heading and what it is going to represent is not the best solution. Products are one part of Fleur de Santé's identity and revising these before knowing exactly how company is to change may lead to inconsistency in brand identity further on in the repositioning process.

Mission statement

When it is time to search for the company's purpose management should start this process by asking questions as for ex. Who are our customers? What business are

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[144] Tönneson, Martin.
[145] Kotter, (1995)
[146] Armstrong & Kotler (1999)

we in? That would help them find out what is the purpose and develop a mission statement.[147]

Further on Griffith and Palmer (1999) mean that this mission statement should capture the company's soul and put in to words why the company exist and should not be mixed up with particular targets and strategies. Company's goals and tactics should change during company's existence but mission is the one that should retain, be guiding star for the company and inspire changes.

Development of mission statement at Fleur de Santé began by first looking over and deciding on which aspects the company's uniqueness should be based on. Development continued by looking at several international companies and searching the most successful way of creating an international mission statement. Management agreed that mission statement should be written in English so that it could be accepted in all countries where active. In the end two different mission statements were made, one for Russia and one for other countries.

Reading Fleur de Santé's mission statement I consider it being long lasting and fitted with the theory of Armstrong and Kotler (1999) since it is market oriented. I also find that part added to Russian mission statement in order to adapt to specific market culture: "Together with our consultants we will create successful people, that can build their own businesses and therefore financial independence." is harmonized with theory of Armstrong and Kotler (1999) meaning that mission should fit with the market environment. Further on we can see similarities between theory and empery in sense that Fleur de Santé's mission statement is realistic, specific, motivating and is explaining the company's existence.

Deciding long-term goals

Work at Fleur de Santé is not based on long term goals since this company is competing in a market with enormous growing potential. Work is more over founded on shorter plans. Short term plans are supported by the theory but according to Armstrong and Kotler (1999) a company should both have long term and short term goals. Theory also mention that what is long and short term is individual depending on the company and industry therefore weather Fleur de Santé's goals should be longer or shorter is hard to decide.

Communicating the strategic vision

Fleur de Santé's statement is short and consistent. To use simple words instead of difficult ones is something that is recommended by the theory.[148] Not using more words then necessary and keeping statement simple and clear is also according to the theory important in order to engage employees and making them accept the new vision.[149] Also the fact that external help was used in order to make statement correct for global market is consistent with theory since wrong choice of word may lead to turn-off instead of turn-on.[150] To be sure that statement will pass on managements belief in who company is and to capture its soul directives were

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[147] Armstrong & Kotler (1999)
[148] Thompson & Strickland (2001)
[149] Ibid.
[150] Ibid.

given that many adjectives had to be used which is as well proposed by the theory since statement should be vivid, enthusiastic and exciting.[151]

5.2 Image & Identity

5.2.1 Image

Management at Fleur de Santé is very concerned about the company's image and identity. It is well aware of that image of the company before making part of Cydonia Development Group was horrendous and shameful but today they know what kind of image and identity they want to have and are struggling in order to achieve this.

Image of a brand has impact on repositioning process as image is connected to how consumers perceive the brand. Knowledge about brand's image helps the owner of the brand to choose which parts of identity that is to be pointed out in the repositioning process of the brand.[152] Therefore I find it is somewhat odd that Fleur de Santé has not made any marketing research in order to see if their image has changed as a consequence of changed identity.

Fleur de Santé believes that their image is primarily build trough their products and services. But according to Aaker (1996) and Melin (1999) an attractive image and expectations on the products are considered to be put up primarily trough name and advertising.

Today Fleur de Santé does not make any marketing of the trademark but is mostly concentrating on marketing to the customers. Management believes that company for the moment does not have the capital to make the type of marketing that is primarily strengthening the new image. Advertisements have to have potential of leading to possible purchase. Eventually company will invest in image strengthening marketing, which is best made trough television.

I believe that even if advertisements primarily purpose is not to create an image it is still touching consumers mind unconsciously. The consumer is still creating an image of the brand when reading the advertisement and looking at its outline. Also the name and logo has probably some influence on customer's perception of the image as well as company's stated vision. Companies communicate whether they want to or not which on the other hand leads to different interpretations.[153]

But I also believe that on the other hand, maybe, the biggest problem Fleur de Santé has when it comes to repositioning of the image is to make consumers to regain trust and to take time to look at their advertisements.

Today, consumers are receiving enormous amount of commercial where marketing noise and competition are therefore disturbing moments when a company wants to reach customers with its commercial.[154] It is easy for the company to communicate too little but never too much and best known companies are those to which public is constantly exposed trough inter alia, advertising.[155]

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[151] Thompson & Strickland (2001)
[152] Kapferer (1999)
[153] Bernstein (1984)
[154] Kapferer (1997)
[155] Bernstein (1984)

I suppose that there is as well probably a difference between how old customers and new customers perceive Fleur de Santé's identity. It might be that new customers are easier to influence then the old ones. Melin (1999) believes that letting customers dictate the identity of the company is very risky especially in case when customers' perception of the brand is different from the one that company whishes to send out. Further on, according to Aaker (1996) there is as well risk that old customers are transferring their prejudices about the brand on the new customers which leads to smaller target audience than brand owner has had in mind. This is something that the company has to be careful with. What is important is not to let the image of the brand to dictate its position but the identity because this would in the lead mean that customers are dictating the position of the brand.[156] This can bring another risk for Fleur de Santé since the company is competing in a market where mouth to mouth advertising is highly spread and many of the new customers get in touch with Fleur de Santé's products via their friends. According to Bernstein (1984) when these inherited perceptions are dissimilar with those that the new customer will experience when actually trying the products of the company, may lead to disappointed of this new customer. Communication is responsibility of the communicator and any false impression is fault of the transmitter and not the receiver.[157]

With help of Fleur de Santé's origin the company wants to create an impression in the minds of customers that Fleur de Santé is representing something qualitative, safe and trustful. This is supported by Aaker (1996) and he believes that to connect a brand to an origin and a religion gives the company big potential to be regarded as trustful. When management decided what to base uniqueness of the firm on they wanted to give emphasize to the fact that the Fleur de Santé is a Swedish company. According to Bernstein (1984), very few corporations and brands start as international, contrary, most of them are started somewhere, in their origin countries. In Eastern European countries, where the company is active, Sweden is considered as a state of high quality which management wanted to use in order to give a sense of security to the customers and change the image in their minds. Bernstein (1984) means that when message of the country of origin is passed on, it is almost sure that stereotypes of this country will be connected with the product and for that reason companies have to decide how much of national characteristics it would like to be connected with its products, before sending the message out.

5.2.2 Identity

As mentioned before, the company can not change the image but it can only change the identity. When changing the brand identity then the perception in customers' minds, the image will also change. Brand identity is a big part of positioning process. Brand owner has to be very much aware of the brand identity to be able to know which parts of identity to include in positioning process.[158]

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[156] Aaker (1996)
[157] Bernstein (1984)
[158] Aaker (1996)

Name, Fleur de Santé is big part of brand's identity and this name has not changed during 24 years, ever since Knut Vulf started the company. More over when starting the repositioning process, the history, including the name, was chosen to be on of three stones on which the uniqueness of the brand should be based on. The fact that name has long history could be seen as very positive and value creating but I believe that keeping the same name may bring both positive and negative effects to repositioning process of Fleur de Santé. From positive side, the name is satisfying criteria for good name, that should according to Melin (1999) be simple, short, easy to pronounce and flexible[159] and customers are already familiar with the name of the brand. On the negative side consumers may connect the name to the old identity of Fleur de Santé and this can give the company a hard time when changing the brand image. When making connection to the old image and identity customers will not be able to perceive and see signals transmitted from new identity which will lead that the new image will not be created in the customers minds which will in the lead mean that Fleur de Santé is failing with its attempt to reposition.

Further on when entering brand identity changing process top management at Fleur de Santé upgraded company's logo so it will fit and transmit the central message of the new identity that management wanted to build up. Bernstein mean that the logo becomes part of branding process, a process where the firm is creating image in the customers' minds.[160]
The new logo was made edgier and more modern. Change of the color of the letters from dark green to lighter nuance and also the replacement of the old flower basket with new, modern picture of a model with Scandinavian looks was done in order to even more fortify that the new identity of Fleur de Santé is more up to date, clear, authenticate and expressive. Also here we can see similarities between Fleur de Santé and the theory of Bernstein (1984) where it is mentioned that corporate identity is often in customers minds related to the company's logo or symbol[161]. Further on according to Rooney (1995) it is as well important to back up the name and what the company wants to transmit visually to the customers with help of a logo.[162]

Fleur de Santé was in need of a more expressive message to its customers of what this brand stands for and in their effort of changing identity an English copywriter upgraded written description of who company is and what is stands for, that is to be found in product catalogues. Here, connection to that basis on which the company's uniqueness is built on is made and special words were used in order to emphasize the company's new identity. Further on management upgraded and revised product portfolio, changed packaging, breaded mail ordering services and employed new means of marketing. By these actions Fleur de Santé faced different areas from which company is transmitting signals to its customers so it could in the best possible way reflect the new identity. This is very much supported by the theory where we can read that corporate identity is the sum of the signals by which the public recognizes the company and differentiates it from

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[159] Melin (1999)
[160] Bernstein (1984)
[161] Ibid.
[162] Rooney, Joseph Arthur (1995) *"Branding: a trend for today and tomorrow."*

others. Every physical action the company make and is experienced by its public is a signal and it makes part of corporate identity.[163]

Further on, to cover these areas as Fleur de Santé did is important since the image of the brand is build based on how these signals are transmitted and perceived. Bernstein (1984) believes that company image is determined by performance. The company must ensure that the company's actions and beliefs are correctly communicated and that all messages and signals coming from the company are consistent.[164]

5.3 Brand

Reason of Fleur de Santé's repositioning process is to create different image of the brand in the minds of customers. In order to do this management decided which parts of new identity to point out and to base the new position on.

Therefore brand would be used in order to express this new identity and as positioning tool.

Companies that own their own brand are using this brand as information carrier but also as an opportunity to create an identity carrier.[165] Brand can be unique by its logo, colors, history, name etc and marketer will use the brand to create an image of the company.[166] Here we can see similarities between Fleur de Santé and the theory suggested by Biel and Melin because the logo of the company was upgraded in order to better transmit the central message of the new identity that management wanted to build up. The color of the letters in the logo was changed, old flower basket was replaced by the image of a model with typical Scandinavian looks and in total logo was now more clear, fresh and modern so as to in the best way possible communicate the new identity of the company. This is also something that is supported by the theory and specially by Biel (1992) who means that it is very important that logo is representing company in same way as marketer wish company to be seen in the eyes and minds of customers.[167]

Further on, Fleur de Santé chose to keep the same name as company had before repositioning process. Name is one part of the company's brand and as I have mentioned in my analyze previously, this can have both positive and negative sides. What I find is negative is the fact that the old name may lead to the fact that neither identity not brand will be represented in the new light. Reposition could then take much longer time since customers are mentioned of company's old identity and image each time they get in touch with the name of the company. Then on the other side, keeping same name may bring positive effects in the way that customers have been familiar with the name during long time and that there is already place in the mind of customers for this company, but it has to be repositioned. Consequently this means that company does not have to create totally new place in the mind of customers.

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[163] Bernstein (1984)
[164] Ibid.
[165] Melin (1997)
[166] Biel (1992)
[167] Ibid.

As a part of improvements done when starting repositioning process management started to work with Lego producers that are situated within boarders of European Union and are marked as GMPs (General Manufacturing practice) which means that these producers are legally approved. This is very important since products and content of products is how customers are associating the brand with what it stands for. Brand is then having a role of a quality insurance. Håkansson & Wahlund (1996) believe that if customer likes a particular product of one brand it is most probable that customer will then associate this brand with this product and continue to use it.[168] To cooperate with partners that company is sure will offer same quality each time will in the end lead that customer will build trust for the brand and brand will then use as information carrier and quality insurance.

Fleur de Santé also want brand to use as a competitive advantage and differentiate this company from other companies. This can be achieved since company will trough the brand communicate its identity that is based on company's competitive advantages and on those facts that are offering customers more value and special attributes by which Fleur de Santé is competing on the market. In the lead when customer is used to these attributes that are offered and that are making this brand different from others customer will gain loyalty for the brand. There is very much support from the theory and Melin (1997) when it comes to these wishes Fleur de Santé has and want to achieve with its brand. To build customer loyalty it is necessary that brand together with the product is offering customer a value. If company has by positioning achieved customer loyalty then there is an opportunity to use this fact as a competitive force and to obtain a competitive advantage.[169]

Brands may also have function of an entry barrier for other companies in the same market and brand loyalty and knowledge of a brand are two of most important entry barriers.[170] I consider that brand of Fleur de Santé may in future bring high value to the company in role of entry barrier but still not today. Brand of this company has at present a certain knowledge on the market but I believe that customers primarily still have kept the old image of the company in their minds. This image has to first be repositioned and changed and acquire knowledge of the customers before being considered as an entry barrier.

5.4 Positioning

In order to build up a strong brand there is a need of clear positioning of it. This position may be achieved by actively positioning the brand.[171]

Before 1999, Fleur de Santé has been mail order company offering many different sorts of products. This diversification and big economic problems led to the point where Fleur de Santé's position was very unclear and the company was treated as

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[168] Håkansson & Wahlund (1996)
[169] Melin (1997)
[170] Ibid.
[171] Management Research News vol. 25 no.6/7 2002

a bad quality company with appalling and shameful image. Here it is clear that the company did not actually know which their competitive domain was and with which competitive dimensions it was competing. It was clear that the company had a position where it was considered to be low quality and unserious, but there was a blurry picture of which actual position company was possessing. Hooley and Saunders (1993) believe that in order to be able to know which position a company has there is need to go trough a positioning research process[172].

So when Cydonia Development Group took over in 1999, new management knew that the company was in terrible condition and realized that there was need of big change. Then management decided that Fleur de Santé should only work with cosmetics and uniqueness of the company was build on three stones: brand, history and natural ingredients. According to Hooley and Saunders (1993) to be able to understand company's position there is need of going trough positioning research process where determination of competitor's position and competitive domain are making important part when it comes to repositioning and knowing which way to undertake.

Here it is clear that Fleur de Santé hasn't exactly done what should be done according to the theory. I find it a bit odd that the new management actually did not make any researches in order to know the company's exact position at the time of taking over the company. I believe that knowing exactly how the company was perceived before is necessary since repositioning a brand is a process that is acquiring a huge amount of time and financial resources. Therefore one should think that it is extremely important to do what ever is possible to know exactly which position company has and which attributes it is competing with. I further on believe that this is also important so that management will know which steps it has to take so that the company will get perceived as wished in relation to its competitors and achieve what management had in mind.

According to Melin (1999) a company should first know which is the core competence of the company and which attributes are bringing most benefits to its customers. According to Hooley and Saunders (1993) position of a brand is explaining to the customers how the company differs from its competitors. After taking over the company top management began the repositioning process and decided what the company's uniqueness should be based on: history, brand and natural ingredients. It was then clear that Fleur de Santé was now competing in totally different business with totally new attributes and it also became clear which position it wanted to acquire. This step taken by Fleur de Santé is very much in coordination with the theory and I find it extremely important in whole repositioning process.

When reaching the point where company should decide which attributes to point out Fleur de Santé did not really do as theory is suggesting. Deciding attributes was not the first step in order to reposition the company and make it successful again. As I wrote before, first thing Fleur de Santé did was to revise and update their product portfolio. I find this a bit odd since I believe that company should first know with which attributes to compete with on the market and offer to its customers. Then as a natural step in the lead products should be added, changed or replaced with these attributes as a base.

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[172] Hooley and Saunders (1993)

Further on after being aware of the core competence of the company and after deciding which attributes to compete with the company had to find new position for its brand. The old position of bad quality and dismissive company had to go away and a brand was to be repositioned and create new place in customers mind.

Subset of identity/Value proposition

As we could read in the theory part brand position consists of several different parts which all of them have to be handled carefully if the positioning process is going to thrive.
Fleur de Santé was building up new identity and chose to point out some parts of it (history, brand and their use of natural ingredients in their products) and base company's uniqueness on these parts. Further they wanted to base the new position on the company's uniqueness. Here we can see similarities with what different writers are mentioning in the theory. Aaker (1996) consider that company should decide which parts of the identity that should be communicated to the customers since the identity of the brand and its core value may be the basis of brand positioning[173]. Base for a brand's success is that the brand owner by him self decides what this base should be and which value it should give the customer[174] but it is as well significant that the brand owner points out the advantages that consumers finds important and that the company is on the same side able to live up to this. The superiority that company shows should belong to the company's core competence since these are not changing over the time[175].

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[173] Aaker (1996)
[174] Management Research News (2002)
[175] Aaker (1996), Kapferer (1999)

Knowing your position/ Positioning strategy

In figure 5 we can see how I visualize the new positioning diagram for Fleur de Santé and which position they would like to acquire.
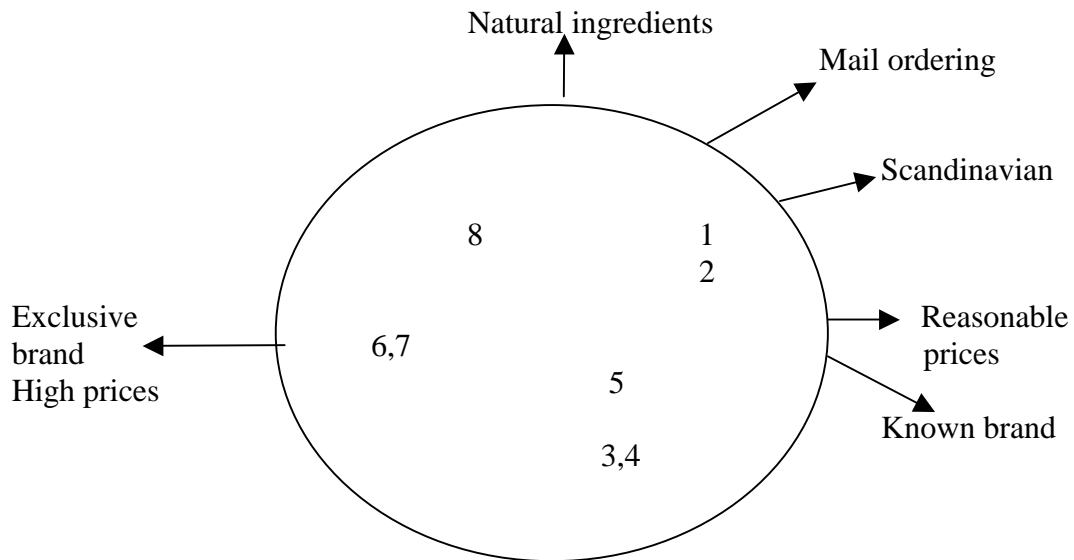

Figure 5
"Fleur de Santé's new competitive domaine"[176]

Following numbers are representing following companies:
1. Fleur de Santé
2. Oriflame
3.& 4. L'Oreal, Max Factor
5. IsaDora
6.& 7. Kanebo, Clinique
8. Body Shop

Here we can see that Fleur de Santé is searching for a position of a mail ordering company, offering products made of natural ingredients for reasonable prices with a Scandinavian touch. I further on also believe that Fleur de Santé whish their brand to be known and recognized by customers and their target group. I find that Fleur de Santé's competition is all companies selling cosmetics and body care products. But since I believe that not all companies selling cosmetics are Fleur de Santé's *direct* competition I have only mentioned some of them in figure 5 in order to make greater understanding of the diagram. Further on, I consider that direct concurrents of Fleur de Santé are companies that are selling their products via mail ordering and products that consists of natural ingredients. Consequently we can from this diagram see that the biggest concurrent today is Oriflame.

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[176] My own model

Oriflame is competing with same competitive dimensions, natural ingredients, mail ordering and reasonable prices. But I believe that Oriflame have a lead when it comes to how well the brand is recognized by customers since the brand of Oriflame is more well-known and has better reputation then Fleur de Santé.

Consequently I can conclude that Fleur de Santé chose to more or less position exactly the same way as its main competitor, Oriflame. But I do not experience that Fleur de Santé is trying to attack Oriflame and neither do I believe that this is possible. The reason why I consider it is impossible to attack market leader's position for the moment is the fact that Oriflame is a company that has a stronger brand and as is also investing more financial resources in order to market its brand even more through different magazines, sponsoring different events, using celebrities as front persons etc. Further on, Oriflame is offering a much bigger variety of its products and also have different lines of products in different price classes that are turned to different target groups which consequently means that Oriflame's target audience is broader. I regard that Fleur de Santé is trying to develop existing position of the market leader and will ride on the wave that Oriflame is creating. In this way Fleur de Santé can use Oriflame's efforts, in order to broaden the market for mail ordering and natural beauty care and later turn to this target group.

Melin (1999) write when developing existing position the new brand is then trying to develop its position by taking advantage of competitors already established position.[177]

In the lead, when analyzing Fleur de Santé's own analysis of external positioning and customer awareness of their brand this awareness can possibly be "aided". Kapferer (1999) categorized "aided" awareness of brand means that customers have to be asked if they have ever heard about specific brand to be able to remember it.[178] I believe that it is probable that Fleur de Santé does not even belong to this category of awareness and that many people are not aware of the brand even when name of the brand is mentioned. According to Melin (1999), in order to achieve strong market position, customer interest must be raised and a place in their minds has to be created. This mental position can be differently strong depending on how well the consumer is aware of the brand.[179] To change this company would have to do the brand more well-known and catch customers' attention. And to do this customer should be very well aware of its identity and further on company should communicate this identity both outside of the company but as well inside the company.

When doing interviews at Fleur de Santé I was told that the only two persons that could help me with my questions and investigation were the CEO, Martin Tönnesson and new appointed market development boss, Ingrid Schellin. The fact is that they are the only two internal persons in the company that actually drove the repositioning process and therefore they were the only ones who could help me. Since no one else from the company participated in the repositioning process management knew that there was as big need for internal statement as for external one, so that new identity would be positioned internally too. When I visited Fleur

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[177] Melin (1999)
[178] Kapferer (1999)
[179] Melin (1999)

de Santé's main office in Malmö I noticed that on the walls there were representations of Fleur de Santé's logo, its vision, statements of what the company stands for etc. All this was part of internal positioning process and should clearly express what company's new identity is.

By internal positioning of a brand, employees can easily understand what the brand stands for and which competitive advantages it has comparing to the competitors.[180]

Subset of identity/Value proposition

Further on, when discussing parts of a brand position theory put forward that identity is what differentiate one brand from another and therefore company should constantly communicate this identity during the positioning process[181] and here we can see both similarities but also differences with actions of Fleur de Santé. As mentioned before management refreshed logo, upgraded and revised product portfolio, changed packaging, breaded mail ordering services, employed new means of marketing and wanted to by these actions express company's new identity. Thinking from consumers point of view I believe that Fleur de Santé here did a good job since the customer is building their image of the company any time coming in touch with a company in one way or the other. So changing and upgrading all parts of the company that the customer comes in touch with have surely helped a whole lot in their whish of changing the image and finding new place in the customers minds. But on the other hand what is odd is that Fleur de Santé never did any kind of market research in order to understand what customer find is important and what is giving them satisfaction.

This fact also plays big role when it comes to the next part of a brand position, creating advantage where it is also important to investigate what is satisfactory to the customers.

Create advantage

Position of a brand should help company deliver its advantages and company should find position where it is better then its competitors[182] but company should offer advantages that can keep superiority during long time since process of positioning is requiring timely and financial resources[183]. Fleur de Santé chose to point out three stones that I believe are fulfilling theory requirements. Fleur de Santé has of course other advantages to offer its customers beside what they chose to point out as for ex: free catalogues, shopping via mail ordering, variety in products and here it also points out that it is not only different from its competitors as for example with "history" but that it is also similar to its competitors that are as well offering shopping via mail, reasonable prices, free catalogues, natural ingredients etc. This is very much supported by Aaker (1996), he means that company can point out advantages where it is alike other brands usually market leaders[184].

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[180] Melin (1999)
[181] Aaker (1996)
[182] Melin (1999)
[183] Aaker (1996)
[184] Ibid.

Target audience

Target audience is as well a part of positioning and the target group that brand owner chooses to turn to must fell that the brand is appealing them and offers a higher value.[185]

Top management decided to keep the same target group that Fleur de Santé had for cosmetics products even before belonging to Cydonia Development Group. Primary target group for Sweden and Norway is consisting of women of the average age of 43 while in Check and Hungary the company has turned to women in their mid thirties and over. More, company targeted women who did not have very much time nor money to spend on cosmetics shopping. Secondary target group of the company are other women who prefer comfortability offered by mail ordering, natural products, big variety etc.

Fleur de Santé is on the other side not choosing to position the brand towards a special part within their target group, for which support is found in the theory of Aaker (1996). He means that by positioning towards a specific group within company's target audience may make the rest of the target audience wanting to identify with this special group which may elevate the interest for the brand[186].

Actively communicated

But sometimes, brand may reach smaller target audience then imagined from the beginning because of the prejudices about the brand that customers might have.[187]

And I believe that this is something that actually might happen in case of Fleur de Santé since the trade mark Fleur de Santé existed on the market before and is not trying to find its position as a totally new company. Therefore old customers may have prejudices that can be transferred to new customers which might contribute that Fleur de Santé's process of finding new position may take even more time and require even higher financial resources.

Aaker (1996) belive it is therefore further on important that the company knows and is very clear about what its brand stands for so that their communications will reflect this. For same the same reason the company should be aware of what their brand does not stand for in order not to send out signals that are not consistent with the brand.[188]

Since the beginning of the repositioning process management at Fleur de Santé did not do any researches in order to see if they are on the right way and if their new identity is perceived by customers as management had in mind.

According to Bernstein (1984) if there are differences between image and identity the means of communications that company is using might be wrong and might even more enhance this wrong image[189]. Aaker (1996) suggests that company

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[185] Aaker (1996)
[186] Ibid.
[187] Ibid.
[188] Ibid.
[189] Bernstein (1984)

should compare image with identity in order to discover if there are some differences and which these are so it can further on know in which direction to steer its communication with the intention of influencing the image.[190]

The reason why Fleur de Santé has to position its brand is primarily because they need to reposition their market position and mental position. It has to show to both new and old customers their new identity and where they stand. Therefore market c*ommunication* for Fleur de Santé should very much be adapted to repositioning or creating new place for the brand in customers minds. The most effective mean of doing this is using TV, radio, magazines, outdoor commercial etc but today Fleur de Santé is not doing any of this. The publicity that they are using is more or less only direct marketing to the customers. This is not a very effective mean of marketing in order to strengthen the new identity and creating the new image. Fleur de Santé is aware of this but they do not consider that they have sufficient financial resources for this type of marketing and have today concentrated on direct marketing. I believe that this is a big minus in the company's repositioning process since when repositioning a brand, this action should be communicated as much as possible in the best possible way. I believe that not using demand marketing is probably slowing down Fleur de Santé's process very much.

Fleur de Santé is today having contact with its target group and customers trough direct marketing sending them out catalogues, information papers, free samples of their products etc. Melin (1999) points out that customer engagement is not very high when it comes to daily products and therefore it is the company's duty to give the customer the information about its product.[191] Fleur de Santé's products are belonging to this category and as theory is suggesting company is provide information to the customers.

5.5 Repositioning

Fleur de Santé decided to find new position in a cosmetics market and to reposition its brand. The reason for this reposition was the fact that Fleur de Santé was a low quality company with very bad position on the market. It offered outdated diverse products of low quality which led to a very bad image in the mind of the customers. Consequently this led to diminished income and bad financial situation also led to problems with company's partners.
Even if identity of the company is communicated in the right way it is important to follow the market and its development since market conditions are changing all the time.[192] It is obvious that the market need for this kind of company that Fleur de Santé was, was not very big and company needed to turn in some other direction in order to survive.
As I have mentioned before in theory part of repositioning there are according to Kapferer (1999) two ways of repositioning: rejuvenation and revitalization. But these two ways are not enough to cover all different reasons that companies may have when repositioning is the only way out. When rejuvenating the brand is to be

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[190] Aaker (1996)
[191] Melin (1999)
[192] Aaker (1996)

renewed and made younger. New products are produced that will better satisfy market needs.[193] When revitalizing a brand positive sides of the brand are pointed out and negative ones are covered up.[194]

I believe that Fleur de Santé's repositioning can not be categorized under rejuvenation nor revitalization. The fact is that Fleur de Santé had an identity that was not appealing to the market, the problem was not that identity was mistaken. Therefore management at Fleur de Santé created totally new identity for the company and did not only covered up negative sides of it and pointed out positive sides of it with help of marketing as revitalization is suggesting . But on the other side there are similarities with both of these methods as for example: when creating new identity company revised their product portfolio, new products were introduced, some old products were upgraded and some were discarded. This is recommended by rejuvenation way. Similarity with revitalization lies in the fact that brand and products of Fleur de Santé was considered as obsolete and this was followed by lost market share.

Therefore I have thought about another way to take for companies that are in the same situation as Fleur de Santé and that need to reposition. I chose to name this way to *RESTART*. This way would be taken by companies that want to change their identity and represent them selves to their customers in a new manner. *RESTART* method would mean that companies are changing their market dimension, attributes they are competing with, and are not only aiming to find new position in the same position diagram.

Then the company's identity would first have to be changed and a clear picture of what the company stand for, what it has to offer and how it will accomplish and defend this new position that it is aiming at, should be created. Further on the company would have to apply all kind or market communication means in order to back up repositioning process. Companies that does not have enough with financial resources to back up this process in all kind of ways have to bee aware that their repositioning process would be slow down and may not be as successful. In order to succeed with this it is important that the company invest money in different market researches that will help the company on the way and reassure the management that the steps that are taken are the right ones. This would be a very important part of *RESTART* since the process of repositioning is requiring extremely high amounts of money and time. Market researches are as well costly and take time but I believe that market researches would be a great help during this process and the output of market research would be much higher than the input. These researches should be seen as investments rather then time and money wasting procedures.

The inspiration for *RESTART* was taken from Fleur de Santé's repositioning process and also from rejuvenation and revitalization. I do not mean that Fleur de Santé made all the steps that I am recommending in the *RESTART* method but I have throughout the analysis of Fleur de Santé's repositioning realized some thing that I believe are important and that this company missed out to do but also some steps that are important and that Fleur de Santé did on their way of repositioning.

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[193] Kapferer (1999)
[194] Ibid.

6 Conclusion

The goal with this thesis is to by investigating Fleur de Santé's repositioning process of brand identity point out those factors that are important in order to make a repositioning process successful.

After my analysis of a repositioning process of a brand with Fleur de Santé as a reality example I consider that I can draw a conclusion that there are four different parts that are significant for the repositioning process; vision, identity and image, brand and positioning. All of these have importance in order to reposition a brand.

The truth is that not every repositioning process is the same. I have in the theory found two ways of repositioning; rejuvenation and revitalization. However since each company has its own reasons for repositioning these two ways offered by the theory are according to me not enough. Therefore I have build up my own way of repositioning specially adapted for Fleur de Santé, which I chose to call *RESTART*. Having in mind those four parts that I consider are central for the repositioning process I have made a model that I believe can give a clearer picture of how important vision, image and identity, brand and positioning are for the *RESTART* process. Pluses in the model are showing how important each part is for repositioning way *RESTART*.
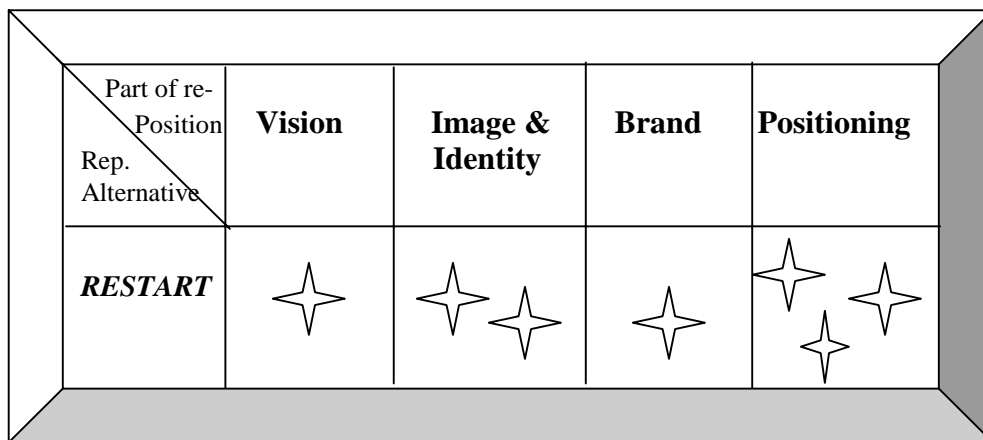
It is important to remember that this model is made after my analysis of Fleur de Santé. Therefore, my conclusion how important these parts are for this repositioning process can not be applied in general by companies that are reconsidering a repositioning. But on the other hand, this model can be used by companies as a guide where company management can further on think about how important different parts are in their special case. Consequently the model can be used by companies that are repositioning for same reasons as Fleur de Santé.

Vision

Vision is to a certain extent important part of the *RESTART* and should be thought through first since it makes it easier for companies to find the way to new targets and goals. Fleur de Santé chose to revise product portfolio before developing a precise vision which I consider was risky since not having a vision may lead to failing the first step of the repositioning process. On the other hand they had quite a good idea of in which direction to steer the company which reduced the risk of failing already at the start. Further on I believe that short term goals are important in this process since when repositioning a company is in an unsteady position and it will have to adapt to market changes and reactions as fast as possible. Hanging on to the long term goals may prevent the company to develop in the necessary direction and this is something that Fleur de Santé employed.

Image and identity

Image is an important part of the *RESTART* process since this is how the customers perceive the company. In order to change the image that customers have in their mind the identity have to be changed first. Further on the brand owner has to decide which parts of identity should be pointed out since the position will be based on these attributes. Fleur de Santé decided that natural ingredients and brand should be two of their three stones which identity is based on and further on these are two of the new competitive attributes with which the company wants to compete with on the market.

Identity is in short the sum of the signals by which the public recognises the company and differentiates it from others and is often in the customers mind related to the company's logo or symbol. It is therefore important to go trough all parts of identity and specially the logo and the name. Fleur de Santé's logo and product portfolio have among other things been upgraded as a part of the identity change but the name has remained the same. This I see can bring both negative and positive effects. Negative effect may be that the "old" name will always bring up the old image in customers minds and therefore repositioning process will be slowed down and the positive effect of not changing the name may be that there is already a place in the customers mind for this company but it now has to be positioned.

However, Fleur de Santé have never done any market researches in order to understand if their new identity is perceived as they whish, if the image is changing and overall how customers are reacting to repositioning process. I consider that companies should make market researches throughout the repositioning process in order to be sure that their communication is expressing the identity in a correct and consistent way.

Brand

Brand is in *RESTART* as vision also important to a certain extent. Brand can have many different roles in a company and is not only a name, logo or symbol. How the brand will be used by the company is one question but what I find clear is that having a strong brand can bring a big plus to the company. If not having a strong brand on the other hand companies should do whatever they can to create it since

a strong trademark will bring the company value and elevate customer interest for the brand.

If owning their own brand, companies should use their brands as information and identity carrier. This may help the repositioning process and if the new identity is pleasing the customers this will strengthen the brand. Further on, if customers like the product of one brand it is probable that he will use this brand again and therefore the brand will serve as a quality insurance. Consequently, if the brand is communicating the identity of the company it is also expressing the competitive attributes offered by the company that own the bran. This means that the brand can be used as a positioning tool for the company.

Fleur de Santé did not have a strong brand before but were hoping to create one by going through repositioning process. They are today using their brand as identity and information carrier but also as quality insurance. Management also decided to use the brand as a way of communication with its customers and to, in this way, also express what their company stand for.

Further on, when having a strong brand it can be used as an entry barrier for other companies that would like to compete on the market. This is something that companies should strive for but a brand has to be really strong to be able to be considered as a barrier by other competitors. Fleur de Santé is today not in this position but if going through a repositioning process successfully this should not be considered as impossible to achieve.

Positioning

I find positioning the most important part of the *RESTART* repositioning process. Here all previous parts are put together and combined. When positioning there is a question if company is going to find a new position on the same positioning diagram as before or if it is going to change its competitive attributes totally and consequently search for a completely new position. This depends on the new identity of the company; if the identity is the same but it should only be communicated in another way or if the company has changed identity and is positioning in an entirely different way. In the *RESTART* process companies are changing the identity completely and are competing within a new competitive domain. This is done by first changing or renewing the identity and then by choosing which advantages and parts of the identity should be pointed out. This should then be communicated to the customers since the position of a brand may be based on the identity and core value of the brand. This is exactly what Fleur de Santé did. They changed their identity and decided that natural ingredients and their brand will be their primary attributes. But as I mentioned before, in order to diminish the risk of failing, the company should before deciding attributes and changing identity know where they are going and what their goal and vision is.

Further on it is important that the target audience that the company chose have to feel that the brand, its identity and advantages offered are compelling in order to gain interest for the brand. Therefore it is important that Fleur de Santé chose the target audience that will be satisfied by their offer. In order to be sure that the company is turning to the right target audience the company should make a market research and this is something that has not be done in the case of Fleur de Santé but still they believe that their primary and secondary target audience is pleased by the attributes offered by the company.

No matter which position the company choose to try to acquire this must be communicated to the audience in order to find a place in the mind of the customers and on the market. The company should by communication express the advantages that customers are interested of and that are also making part of the wished position. I consider that the company should then as much as possible try to market its brand since the company will use the brand as information and identity carrier. The best way of marketing the brand is by TV, radio, magazines etc. Fleur de Santé is today not using these means of marketing since they consider that they do not have financial resources. Therefore their marketing today is only based on direct marketing to the customers. I strongly believe that this is a big deficiency in a repositioning process since not marketing the brand that is used as an identity carrier is slowing down the repositioning process.

Finally, vision, image and identity, brand and positioning are all making part of the repositioning. All of these are connected to each other and are leading to *RESTART*. I believe that in the case of Fleur de Santé the most important thing is to communicate their new identity to its target audience. This is probably going to take a long time since the old image that customers have in their minds will take a long time to replace. But if the old image is not replaced then customers will never understand the new position of the company and the repositioning process will never succeed. I consider that the new identity of the company is very well thought through, the company has found attributes and target audience that can be pleased by the new identity and what it is offering. Having this in mind I believe that the company has big chances of repositioning successfully but they would have to put financial resources in to brand marketing since the brand is the company's identity and information carrier.

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